

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

RATE ADJUSTMENT DUE TO EXTRAORDINARY
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2010-4R

**RENEWED EXIGENT REQUEST
OF THE UNITED STATES POSTAL SERVICE
IN RESPONSE TO COMMISSION ORDER NO. 1059**
(September 26, 2013)

In Order No. 1059, the Postal Regulatory Commission set forth procedures whereby the United States Postal Service may renew its request for authority to increase rates for market dominant products above the limitations of 39 U.S.C. § 3622(b)(1)(A) and 39 C.F.R. § 3010.11. In accordance with that order, the Postal Service hereby submits a complete update to its original request.

This pleading begins with an introduction summarizing the Postal Service's renewed request (the Request). Next, it recounts the procedural history of this docket. It then proceeds to either directly address or cite to the existing record to satisfy each of the requirements set forth in Subpart E of Part 3010 of the Commission's Rules of Practice and Procedure.

I. Introduction

Section 3622(d)(1)(E), often referred to as the "exigency provision" of the Postal Accountability and Enhancement Act (PAEA), provides that postal rates "may be adjusted on an expedited basis due to either extraordinary or exceptional

circumstances” when “such adjustment is reasonable and equitable and necessary to enable the Postal Service, under best practices of honest, efficient, and economical management, to maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States.”

The Commission has already found, in two orders in this docket, that the recent recession constituted “extraordinary or exceptional circumstances.” The Request is therefore premised on the recent recession as an exigent event. By econometric analysis, the Postal Service calculates that it has lost approximately 53.5 billion mail pieces due to the recession in Fiscal Year (FY) 2012, resulting in a contribution loss of approximately \$6.65 billion in that year alone.

The Request proposes price increases to recover a modest proportion of that lost contribution, approximately \$1.78 billion. By not exceeding the “net adverse financial impact” of the recession, this increase satisfies the “due to” clause of the exigency provision. The price increases average to 4.3 percent and, if approved, will be implemented on January 26, 2014. As discussed herein, the price increases are as uniform and across-the-board as practicable. The Governors have determined that across-the-board increases are an inherently reasonable and equitable way to recover contribution lost due to an event as broad as the recession.

As demonstrated by the materials accompanying the Request, the additional \$1.78 billion in contribution is “necessary” for the Postal Service to continue providing effective and adequate postal services, potentially until such time that Congress makes fundamental changes to the postal business model. The Postal Service’s extensive

cost-saving and efficiency initiatives demonstrate that it has and will continue to exercise “honest, efficient, and economical management.”

The Request consists of this pleading, the statements of two postal officials, Stephen J. Nickerson and Altaf Taufique, and the statement of one independent economist, Thomas E. Thress (Vice President at RCF Economic and Financial Consulting, Inc.), along with ten public and three nonpublic library references containing materials underlying the three statements. A list of the library references appears at Attachment B to this pleading.

Mr. Thress’s statement is an update to his statement of November 2011; it estimates the effect of the recession on mail volumes. Mr. Nickerson’s statement calculates the amount of contribution lost due to those volume losses. Mr. Nickerson also explains why the exigent price increases are necessary, as well as describes the actions that the Postal Service has taken to save costs. Mr. Taufique’s statement presents the proposed price increases and explains why they are reasonable and equitable.

II. Procedural History

On July 6, 2010, the Postal Service filed a request under 39 U.S.C. § 3622(d)(1)(E) to increase the prices of market dominant products by an average of 5.6 percent, for an estimated increase in annual contribution of \$3.1 billion.¹ Along with the request, the Postal Service submitted statements from three postal officials, as well as substantial backup documentation. On September 30, 2010, after extensive information

¹ Exigent Request of the United States Postal Service, PRC Docket No. R2010-4 (July 6, 2010).

requests, three days of public hearings, and two rounds of public comments, the Commission issued Order No. 547, denying the Postal Service's request.²

In its order, the Commission found that the 2008-2009 recession and its impact on postal volumes constituted exigent circumstances, but it nonetheless denied the Postal Service's request because, in its view, the Postal Service had not demonstrated that the proposed adjustments were "due to" the exigent circumstances, and therefore had not shown how the proposed adjustments "relate to the extraordinary or exceptional circumstances that purportedly give rise to them."³

The Postal Service petitioned the United States Court of Appeals for the District of Columbia Circuit for review of the Commission's Order. On May 24, 2011, the Court remanded the Postal Service's request back to the Commission for further proceedings.⁴ The Court made three important determinations regarding the language of Section 3622(d)(1)(E). First, it upheld the Commission's view that "due to" requires that there be a causal relationship between the size of a requested increase and the impact of the identified "extraordinary or exceptional circumstances" on the Postal Service.⁵ But, second, in considering the degree of causality required, the Court rejected the Commission's interpretation that the plain language of "due to" requires that "the Postal Service match the amount of the proposed adjustments *precisely* to the amount of revenue lost as a result of the exigent circumstances."⁶ Rather, the Court

² Order No. 547, Order Denying Request for Exigent Rate Adjustments, PRC Docket No. R2010-4 (Sept. 30, 2010), at 87.

³ *Id.* at 60.

⁴ *United States Postal Serv. v. Postal Reg. Comm'n*, 640 F.3d 1263 (D.C. Cir. 2011).

⁵ *Id.* at 1267.

⁶ *Id.* at 1268 (emphasis in original).

noted that “due to” was ambiguous in terms of how close the match must be, and consequently remanded the decision to the Commission so that it could “explain[] the extent of causation the Commission requires the Postal Service to demonstrate between the exigent circumstance’s impact on Postal Service finances and the proposed rate increase.”⁷

Finally, the Court also rejected the notion that, simply because the Postal Service’s financial crisis is due to many factors, including those costs that are outside of the Postal Service’s control, an exigent increase cannot be considered “due to” the identified exigent circumstance. The Court noted:

A financial crisis can often result from multiple contributing factors, of which only one may be “extraordinary or exceptional.” It would not be incorrect to say that the requested rate increase is “due to” the extraordinary factor simply because it is also ‘due to’ other factors as well.⁸

The Court’s mandate issued on July 11, 2011, and later that day the Commission published Order No. 757, designating this stage of the exigent proceeding as Docket No. R2010-4R, and setting the dates for initial and reply comments.⁹ On September 20, 2011, following the close of the reply comment period, the Commission issued Order No. 864, setting forth its interpretation of the causal nexus required to satisfy the statute’s “due to” clause.¹⁰ The Commission concluded that exigent rate increases are permitted only to the extent that they do not exceed the “net adverse financial impact of the exigent circumstances,” and that such adverse impact need not be quantified with

⁷ *Id.* at 1264.

⁸ *Id.* at 1268

⁹ Order No. 757, Notice and Order Establishing Procedures on Remand, PRC Docket No. R2010-4R (July 11, 2011).

¹⁰ Order No. 864, Order Resolving Issues on Remand, PRC Docket No. R2010-4R (Sept. 20, 2011).

absolute precision, but must be quantified with supportable methods commensurate with the amount of the proposed adjustment.¹¹ In the context of this proceeding, the

Commission stated:

Given the exigent circumstances found to have occurred in this case, the net adverse financial impact would consist of the lost contribution associated with the volume declines from the 2008-2009 recession. . . . When quantifying the net adverse financial impact of the exigent circumstances, the Postal Service must factor out the financial impact of non-exigent circumstances, such as the continuing effects of electronic diversion.¹²

Order No. 864 also directed the Postal Service to file a statement by October 4, 2011, indicating whether and how it intended to continue pursuing its exigent request. On that date, the Postal Service instead filed a motion to stay the request until December 15, 2011, citing pending legislative activity that might obviate the need to proceed. On October 31, 2011, in Order No. 937, the Commission denied the motion to stay and directed the Postal Service to file the statement of intentions contemplated by Order No. 864.¹³ On November 7, 2011, in accordance with Order No. 937, the Postal Service filed a statement of intent to pursue its request, and a motion to supplement the record with the statement of Thomas Thress, estimating the amount of mail volume lost in FY2008 and FY2009 due to the recession, and the statement of Virginia Mayes, calculating the FY2008 and FY2009 contribution losses connected with those volume losses.

On December 20, 2011, the Commission issued Order No. 1059, in which it granted the Postal Service's motion to supplement the record and stated that, if the

¹¹ *Id.* at 45-52.

¹² *Id.* at 46, 48.

¹³ Order No. 947, Order Denying Motion to Stay and Establishing Further Procedures, PRC Docket No. R2010-4R (Oct. 31, 2011).

Postal Service wishes to continue pursuing its exigent request, it must complete the submission of an entire case, which would include all of the information required by 39 C.F.R. part 3010, subpart E.¹⁴ The instant filing is intended to constitute an “entire case,” as contemplated by Order No. 1059.

III. Requested Price Increases

Immediately prior to filing this Request, the Postal Service filed a Type 1-A annual price adjustment in Docket No. R2013-10, with increases averaging to 1.6 percent. In the instant docket, the Postal Service proposes exigent price increases averaging 4.3 percent, on top of the increases set forth in Docket No. R2013-10. As Mr. Taufique explains in his statement, the Postal Service has endeavored to make the exigent increases as close to uniform as practicable.

The exigent price increases are shown at the class and product levels in the table below. As required by 39 C.F.R. § 3010.61(a)(1), a full schedule of the proposed rates appears at Attachment A, in Mail Classification Schedule format.

Table 1: Exigent Price Increases

First Class Mail	
<u>Product</u>	<u>Percent Change</u>
Single-Piece Letters & Cards	4.276 %
Presort Letters & Cards	4.291 %
Flats	4.627 %
Parcels	4.349 %
First-Class Mail International	2.393 %
Total First-Class Mail	4.281 %
Standard Mail	
<u>Product</u>	<u>Percent Change</u>
Letters	4.259 %
Flats	4.283 %
Parcels	4.335 %

¹⁴ Order No. 1059, Order Addressing Motion to Supplement and Related Filing, PRC Docket No. R2010-4R (Dec. 20, 2011).

High Density and Saturation Letters	4.212 %
High Density and Saturation Flats / Parcels	4.261 %
Carrier Route	4.288 %
EDDM – Retail	4.167 %
Total Standard Mail	4.264 %
Periodicals	
<u>Product</u>	<u>Percent Change</u>
Outside County	4.297 %
Within County	4.306 %
Total Periodicals	4.297 %
Package Services	
<u>Product</u>	<u>Percent Change</u>
Alaska Bypass	4.232 %
Bound Printed Matter Flats	4.626 %
Bound Printed Matter Parcels	4.484 %
Media Mail / Library Mail	4.304 %
Inbound Surface Parcel Post (at UPU Prices)	0.000 %
Total Package Services	4.303 %
Special Services	
<u>Service</u>	<u>Percent Change</u>
Total Ancillary Services	4.372 %
International Ancillary Services	4.188 %
Address Management Services	3.542 %
Caller Service	4.329 %
Credit Card Authentication	5.000 %
International Business Reply Mail Service	2.819 %
Money Orders	4.042 %
Post Office Box Service	4.177 %
Customized Postage	4.308 %
Stamp Fulfillment Services	5.005 %
Total Special Services	4.318 %

As required by 39 C.F.R. § 3010.61(a)(2), the Postal Service has prepared, for each class, workpapers deriving the requested percentage price increase. These workpapers are contained in the following library references:

USPS-R2010-4R/2	First-Class Mail
USPS-R2010-4R/3	Standard Mail
USPS-R2010-4R/4	Periodicals
USPS-R2010-4R/5	Package Services
USPS-R2010-4R/6	Special Services

IV. Extraordinary or Exceptional Circumstances

39 C.F.R. § 3010.61(a)(3) requires a “full discussion of the extraordinary or exceptional circumstance giving rise to the request.” In Order No. 547, the Commission concluded “that the recent recession and its impact on postal volumes is an ‘extraordinary or exceptional’ circumstance.”¹⁵ In Order No. 864, the Commission reiterated “its finding in Order No. 547 that the 2008-2009 recession and its impact on postal volumes constituted exigent circumstances and that it was those exigent circumstances that authorized the Exigent Request.”¹⁶ While the Postal Service’s original request posited more expansive exigent circumstances,¹⁷ it accepts the Commission’s more narrow conclusion as a basis for this renewed Request.

39 C.F.R. § 3010.61(a)(3) also requires “a complete explanation of how both the requested overall increase, and the specific rate increases requested, relate to those circumstances.” Fundamentally, the Postal Service has proposed exigent price increases in order to recover a portion of the contribution that it lost due to the recession. Mr. Thress’s statement documents a source-of-change analysis that decomposes the volume losses of the last five years into those stemming from the recession and those stemming from other factors. Mr. Thress concludes that, in

¹⁵ Order No. 547 at 50.

¹⁶ Order No. 864 at 29.

¹⁷ The Postal Service stated that the precipitous and unprecedented volume losses in the years immediately preceding the original request constituted extraordinary and exceptional circumstances, regardless of the cause of those losses.

FY2012 alone, the amount of lost volume attributable to the recession was approximately 53.546 billion pieces. In his statement, Mr. Nickerson calculates that this volume loss equals, in FY2012 terms, \$6.654 billion in annual lost contribution. Mr. Nickerson also estimates that the exigent price increases will recover \$1.78 billion in annual contribution. Clearly, then, the overall increase proposed herein relates to the exigent circumstances recognized by the Commission.

However, in Order No. 547, the Commission made the following statement:

Inclusion of any volume loss prior to the beginning of the recession, or experienced after the close of the recession in an analysis of the impact of the extraordinary or exceptional circumstances would appear to be problematic.¹⁸

This sentence appears immediately after the Commission notes the announcement of the National Bureau of Economic Research (NBER) that the recession ended in June 2009. At the time that the Commission issued Order No. 547, that announcement was only 10 days old. In other words, the announcement came when the Commission was well into its final deliberations on the case.

Given this timing, even if the parties had had any reason to suspect that the NBER press release might be relevant to the Commission's deliberations (which they did not), the procedural schedule made no allowance for them to comment on it, and the Commission made no effort to solicit any such comments. Thus, in making this comment, Order No. 547 cited neither record evidence nor argument by the parties to support the view set forth. Not surprisingly, therefore, the opinion expressed was presented only in the most tentative terms – “would appear to be problematic.”

¹⁸ Order No. 547 at 79.

As Mr. Thress explains, the myriad components of the macro-economy do not move in unison, and particular sectors of the economy can experience downturns both before and after NBER's official start and end dates for the recession. Indeed, this is merely common sense – it was plain to anyone who lived through the recession that its effects did not instantaneously disappear in July 2009.¹⁹

As a practical matter, given the modest nature of the proposed increases, this issue may not need resolution. Mr. Nickerson calculates the annual amount of revenue and contribution lost due to the recession through each of the last four years:

Table 2: Volume, Revenue, and Contribution Lost Due to the Recession

Year	Volume (in millions)	Revenue (in millions)	Contribution (in millions)
FY2008 through FY2009	(34,759)	(\$9,973)	(\$3,642)
FY2008 through FY2010	(42,333)	(\$12,763)	(\$4,825)
FY2008 through FY2011	(47,981)	(\$14,898)	(\$5,780)
FY2008 through FY2012	(53,546)	(\$16,883)	(\$6,654)

The table above shows that, but for the recession, the Postal Service would have processed approximately 54 billion more mail pieces in FY2012 alone, resulting in approximately \$16.9 billion in additional revenue and \$6.7 billion in additional contribution for that year. Even if one were to focus only on the losses through 2009, the Postal Service's request for \$1.78 billion in contribution represents less than half of the contribution lost due to the recession through 2009. Clearly, then, the overall increase sought in this Request relates to the recession.

¹⁹ The Postal Service previously made this point in footnote 3 on page 17 of its January 28, 2011 Reply Brief to the United States Court of Appeals for the District of Columbia Circuit; and, at oral argument, at least one judge wasted no time rejecting the Commission's contention on this matter. Oral Arg. Tr. at 17:14-20:14.

As noted above, 39 C.F.R. § 3010.61(a)(3) also requires an explanation of how “the specific rate increases requested, relate to those circumstances.” One can imagine exigent events that, perhaps due to being limited in nature or targeted in their effects, lend themselves to targeted rate increases. For example, a terrorist attack’s effects on the mail could conceivably be particular in nature. The recent recession, in contrast, had broad effects, as it was a macroeconomic and indeed global event. As discussed in Section VII below, the Governors have determined that a reasonable and equitable way of recovering contribution lost due to the recession is through uniform, across-the-board price increases. Each of the specific rate increases proposed herein therefore relates to the recession in so far as it represents, in the Governors’ view, a fair method for recovering contribution lost due to the recession.

Connected with the issue of identifying “extraordinary or exceptional circumstances” is the requirement in 39 C.F.R. § 3010.61(a)(6) for “an analysis of the circumstances giving rise to the request, which should, if applicable, include a discussion of whether the circumstances were foreseeable or could have been avoided by reasonable prior action.” The Commission’s recognition in Order No. 547 of the recession as an exigent event obviates the need for a detailed discussion regarding the recession. Further, the Commission stated in Order No. 547 that “the severity of this circumstance [the recession] was unforeseeable by any reasonable standard,” and therefore that “the issue [of foreseeability] is moot.”²⁰ Looking more broadly at the financial position that the Postal Service is in, it is notable that the Chairman of the

²⁰ Order No. 547, at 52.

Commission recently stated that the Postal Service's financial crisis was "not predictable."²¹

V. Necessity of Requested Contribution

39 C.F.R. § 3010.61(a)(4) requires "a full discussion of why the requested increases are necessary to enable the Postal Service, under best practices of honest, efficient and economical management, to maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States." This standard is both expansive in phrasing and fundamentally forward-looking. It is therefore focused not simply on the Postal Service's immediate needs, but on its ability to maintain, and then continue to develop, effective and regular postal services in accordance with the public interest. It is also only through a consideration of the Postal Service's financial situation generally that this standard can be applied.

Mr. Nickerson's statement explains why the requested increases are necessary for the Postal Service to continue providing adequate postal services. In short, the Postal Service's present and forecasted liquidity position is dangerously low. As Mr. Nickerson shows, the Postal Service has exhausted its borrowing authority and, going into 2014, is projected to have only nine days of operating cash, or only approximately \$700 million above its biweekly payroll. Both next month and in October 2014, the Postal Service must make a payment of approximately \$1.4 billion to finance workers' compensation benefits for current recipients of such benefits, meaning that the Postal

²¹ *Outside the Box: Reforming and Renewing the Postal Service, Part I – Maintaining Services, Reducing Costs and Increasing Revenue Through Innovation and Modernization: Hearing on S. 1486 Before the Senate Comm. on Homeland Sec. and Gov'tal Affairs, 113th Cong. (Sept. 19, 2013), <http://www.hsgac.senate.gov/hearings/outside-the-box-reforming-and-renewing-the-postal-service-part-i-maintaining-services-reducing-costs-and-increasing-revenue-through-innovation-and-modernization> (video at 1:05:53).*

Service will at those points have the equivalent of approximately one biweekly payroll on hand. These figures assume that the Postal Service will continue defaulting on the legally mandated prefunding payments to the Retiree Health Benefits Fund.

As Mr. Nickerson explains, this wholly inadequate level of liquidity puts the Postal Service in an intolerably precarious position. Any number of possible events or circumstances could push the amount of cash below the payroll amount, imperiling the continued operation of the organization. Mr. Nickerson shows how anomalous this position is in relation to private sector companies comparable to the Postal Service, thus demonstrating the prudence of seeking this increase. He discusses how the Postal Service's low liquidity requires that the Postal Service defer necessary capital investments, which cannot be deferred indefinitely if the Postal Service is to continue providing regular and effective service.²² He also discusses how Postal Service costs will be subject to upward pressures going forward, meaning that the Postal Service's liquidity situation will continue to be very precarious even as it implements the cost savings anticipated in its Five-Year Plan.

As Mr. Nickerson explains, the Request is modest in terms of the amount of contribution being sought. Thus, the Postal Service will still only have a modest amount of liquidity should this increase be approved. However, the additional contribution that would be provided by this increase, in combination with continued efforts to reduce costs, should, it is hoped, ensure that the Postal Service has sufficient liquidity to continue operating in accordance with the statute (except with respect to the retiree

²² The Commission is well aware of this risky circumstance. Testimony of Ruth Y. Goldway, Chairman, Postal Reg. Comm'n, Before the U.S. Senate Comm. on Homeland Sec. and Gov'tal Affairs (Sept. 19, 2013), at 14-15, *available at* http://www.prc.gov/Docs/87/87878/Testimony-Goldway-2013-09-19_3344.pdf.

health benefits prefunding payments) until such time as Congress makes fundamental changes to the Postal Service's business model. The Postal Service has determined that compliance with the retiree health benefits prefunding obligation is simply impossible at this time, with or without an exigent increase. Therefore, even with this increase, the Postal Service will continue incurring large net losses each year.

Of course, it is unclear when, if ever, Congress will act. The Commission, on the other hand, is required under Section 3622(d)(1)(E) to perform a review in 2017 of the market dominant ratemaking system to determine whether it is achieving the objectives, taking into account the factors, of Section 3622, including the objective "[t]o assure adequate revenues, including retained earnings, to maintain financial stability."²³ As part of that review, the Commission is empowered to make whatever modifications are necessary to ensure that the objectives are achieved. It is hoped that the present Request, while modest, will result in enough increased contribution that the Postal Service is able to continue operating into 2017, barring significant unforeseen events.²⁴

Two additional points should be made about Mr. Nickerson's statement. First, its discussion of the Postal Service's overall financial situation is furnished solely to demonstrate why this increase is "necessary" under that aspect of the exigency provision. The Commission has previously made certain statements in this docket that, if read broadly, would seem to indicate that considerations of the Postal Service's

²³ 39 U.S.C. § 3622(b)(5).

²⁴ The Request assumes that the Docket No. R2013-10 rate increases will also be approved. Thus, the approximately \$600 million in contribution that the Postal Service expects to receive through the Docket No. R2013-10 rate increases is as necessary as the \$1.78 billion in contribution sought through the exigent increases. If the Docket No. R2013-10 increases are not approved, the Postal Service would amend this Request to incorporate all of the increases and classification changes sought in that docket. As a result, approximately \$2.36 billion in contribution would be sought in this docket, which would still be well below Mr. Nickerson's calculation of the amount of contribution lost due to the recession through FY2009.

overall financial situation are not relevant.²⁵ However, those statements were made in the context of interpreting and applying the “due to” clause, and did not purport to address the meaning of the “necessary” clause.²⁶ While the “due to” clause of the exigency provision has a narrow focus on identifying the “net adverse financial impact of the exigent circumstances” to ensure that the requested increase does not exceed that impact, the “necessary” clause plainly has an expansive scope. It is only through consideration of the Postal Service’s financial situation generally that it can be determined whether compensation for the “net adverse financial impact” of the identified exigent circumstances is needed to ensure the continuation of effective, regular postal services.

As demonstrated above, this increase is seeking only a portion of the contribution that has been lost as a result of the recession, and therefore clearly satisfies the “due to” clause. By discussing the Postal Service’s financial situation generally, Mr. Nickerson is simply demonstrating why the additional contribution being sought here is also “necessary,” in accordance with the plain language of the statute.

Second, it should also be made clear that the Postal Service’s decision to only seek a small portion of the amount of “net adverse financial impact” of the recession does not mean that it was precluded from seeking a larger increase under the “necessary” provision. As an initial matter, even with this increase, the Postal Service’s

²⁵ See, e.g., Order No. 864 at 37 (stating that the exigency provision “does not mention the Postal Service’s need for revenues when setting forth the applicable standard for exigent rate adjustments,” and instead “establishes standards that do not directly relate to the Postal Service’s fiscal soundness”); Order No. 547 at 68 (criticizing the Postal Service for having a “desire to address its existing financial condition”).

²⁶ See Order No. 864 at 8 (noting that the Commission did not interpret the “reasonable and equitable and necessary” language in Order No. 547); *id.* at 53 (noting that its remand order was for the “limited purposes” of interpreting the “due to” clause).

liquidity will still be much lower than the level an entity the Postal Service's size should have, even assuming the continued default on the Retiree Health Benefits Fund prefunding payments; therefore, the Postal Service could have permissibly asked for a larger increase.

Furthermore, regarding those prefunding payments, the Postal Service has made a reasonable determination that it will not seek additional price increases through this docket to cover all or part of those payments, but rather will continue to urge Congress to address the issue. However, this does not mean that the opposite determination would have been precluded by the statute. There is no basis under the "necessary" clause to distinguish the Retiree Health Benefits Fund prefunding payments from any other obligation that the Postal Service is subject to, or any indication that Congress authorized the Commission to disregard certain requirements imposed by Congress on the Postal Service when determining whether to approve an increase that is demonstrably "due to" an exigent circumstance.

As a corollary to the "necessary" requirement, 39 C.F.R. § 3010.61(a)(6) requires an "explanation of when, or under what circumstances, the Postal Service expects to be able to rescind the exigent increases in whole or in part." The Postal Service does not expect to be able to rescind the requested increases until Congress makes fundamental changes to the postal business model that render the additional contribution provided by this increase no longer necessary. Therefore, a determination of whether and when to rescind the increases must be deferred until such time as Congress enacts comprehensive reform legislation.

VI. Honest, Efficient, and Economical Management

As noted above, 39 C.F.R. § 3010.61(a)(4) requires that, as part of demonstrating the “necessity” of an increase, the Postal Service demonstrate that it will be operated “under best practices of honest, efficient and economical management.” Mr. Nickerson’s testimony discusses the cost savings that are part of the Postal Service’s Five-Year Plan,²⁷ which build upon the significant cost reductions and efficiency gains achieved in recent years. These aspects of his testimony help demonstrate that the approval of this increase is consistent with the “honest, efficient, and economical management” requirement. This element of the exigency provision requires an inquiry as to whether the Postal Service is responsibly pursuing means to increase the efficiency of the Postal Service in a manner consistent with the Nation’s postal needs, such that above-cap rate relief is truly “necessary.”

There are several considerations that must be taken into account when evaluating this aspect of the exigency provision. First, the Commission must take into account the legal, contractual, and political context under which the Postal Service operates, which can impede the Postal Service’s ability to implement cost-reduction efforts. If the Postal Service’s costs reflect constraints imposed by Congress, then, by definition, the incurrence of those costs is outside of the Postal Service’s control and is not inconsistent with the “honest, efficient, and economical management” standard.²⁸ The fact that the policy choices underlying those constraints may deviate from what the Commission or other parties may prefer, and may therefore lead to a cost structure that

²⁷ UNITED STATES POSTAL SERV., FIVE-YEAR BUSINESS PLAN (2013), at <http://about.usps.com/strategic-planning/five-year-business-plan-2012-2017.pdf>.

²⁸ See, e.g., *Pub. Serv. Co. of Ind., Inc. v. ICC*, 749 F.2d 753, 767-68 (D.C. Cir. 1984) (noting that “factors beyond the control” of the regulated entity do not demonstrate management inefficiency).

is not considered optimal, is also irrelevant; indeed, as the Commission has recognized, it cannot read the exigency clause in a way that incentivizes Congress to make different policy choices.²⁹ The political context must also be taken into account, considering that the Postal Service is not only a governmental entity subject to Congressional control and oversight, but also a governmental entity that is seeking comprehensive reform legislation to restore its financial viability.

Second, as the plain language of the statute indicates, the consideration of “honest, efficient, and economical management” is part of a prospective inquiry. In particular, the exigency provision directs the Commission to determine whether an exigent increase is “necessary to *enable* the Postal Service” to “*maintain and continue*” the provision of universal postal services adapted to the needs of the United States, if the Postal Service acts in an “honest, efficient, and economical” manner. The terms “enable,” “maintain,” and “continue” are forward-looking, not retrospective. Furthermore, the “honest, efficient, and economical” management standard is an integral component of that forward-looking inquiry, rather than a separate element. Thus, a party’s claims that the Postal Service is being managed in a manner inconsistent with “honest, efficient, and economical management” are only relevant if the purported “inefficiencies” are perpetuated going forward.³⁰

²⁹ See Order No. 864 at 42 (“It is not the Commission’s role in an exigent rate proceeding to provide incentives to Congress, but rather to apply the law in a manner that is consistent with congressional intent.”).

³⁰ It might be argued that certain inefficiencies within the Postal Service’s control are inconsistent with “honest, efficient, and economical management.” However, even if that were the case, any such inefficiencies would not be a *per se* bar to the implementation of an exigent increase. Rather, it must be determined whether, if those inefficiencies were eliminated, an increase would still be “necessary” to maintain and continue effective and regular postal services.

Third, application of the “honest, efficient, and economical management” standard must give appropriate recognition to the Postal Service’s reasonable business judgment. The standard forbids wasteful or improvident management but does not dictate a particular choice among reasonable business decisions. Thus, even if a given action might hold the prospect for reduced costs, it is consistent with “honest, efficient, and economical management” for the Postal Service to weigh those potential cost reductions against other mitigating factors and requirements, and to make a prudent choice. That the Commission or another party would have made a different choice is immaterial to the question of whether the Postal Service’s decision was itself within the scope of prudent management practices.

Finally, application of this standard must take into account Section 505(b) of the PAEA, in which Congress explicitly provided that “nothing” in the PAEA (which, of course, includes the “honest, efficient, and economical management” standard), other than the changes made to the arbitration process by the Act, could be construed to “restrict, expand, or otherwise affect any of the rights, privileges, or benefits of either employees or of labor organizations representing employees.”³¹ This amounts to a Congressional endorsement for the state of employee prerogatives and perquisites as they existed in 2006: a judgment, ultimately, that those prerogatives and perquisites were *per se* consistent with “honest, efficient, and economical management.” It also reflects a determination that the Commission cannot use its authority under the PAEA in a way that affects employees or the interest arbitration process. Of course, the Postal Service has taken substantial efforts to reduce labor costs, which are discussed below,

³¹ Pub. L. No. 109-435, § 505(b), 120 Stat. 3198, 3236 (2006).

but it must be recognized that, as a technical matter, Section 505(b) affects the Commission's analysis, such that any perceived shortfall in the Postal Service's efforts cannot properly be deemed a failure to exercise "honest, efficient, or economical management," especially if the shortfall was in place when the PAEA was enacted. At the same time, any efforts by the Postal Service in this area must be seen as going above and beyond the legal standard of "honest, efficient, and economical management," however much a critic might argue that greater labor cost reductions might theoretically be possible.

A. As of Order No. 547, the Postal Service Was Exercising Honest, Efficient, and Economical Management.

The Postal Service has already explained in detail how the actions it had taken as of FY2010 to significantly reduce costs, within the constraints under which it operates, are consistent with the standard of "honest, efficient, and economical management."³² In Order No. 547, the Commission even stated that Postal Service management had done a "commendable job" at managing costs and improving efficiency, such as by reducing work-hours and improving total factor productivity, in response to volume declines.³³ Although the Commission did not explicitly rule on the "necessary" prong of Section 3622(d)(1)(E), it is clear that the Commission already considered Postal Service management's actions as of the end of FY2010 to have been responsible and prudent ones. Indeed, it would be illogical to say that "commendable" management fails to constitute "honest, efficient, and economical management."

³² See USPS Response to AMA MTD at 4-9, 29-48; Reply Comments of the United States Postal Service, PRC Docket No. R2010-4 (Sept. 2, 2010), at 6-10, 57-76.

³³ Order No. 547, at 61 n.48, 80-86.

B. In the Three Years Since Order No. 547, the Postal Service Has Continued to Exercise Honest, Efficient, and Economical Management.

Since the Commission issued Order No. 547 at the end of FY2010, the Postal Service has continued to exercise “honest, efficient, and economical management” by aggressively reducing costs and raising revenue, within operative legal, political, and operational constraints, and considering the needs of the American public for effective and regular postal services. The Postal Service has acted in multiple areas to further these goals, as detailed below. Overall, the Postal Service has achieved annual cost reductions of \$14 billion in the last five full fiscal years, with work-hours reduced 21 percent. Going forward, the Postal Service’s Five-Year Plan anticipates by FY2016 cost savings totaling \$6.0 billion from mail processing, delivery, and retail initiatives, and \$1.8 billion in savings from wage restraint and workforce flexibility.³⁴

A significant source of savings has been in reduced work-hours. Work-hours were reduced by approximately 61 million (or 5.1 percent) from the end of FY2010 through FY2012. From the end of FY2007 through FY2012, work-hours were reduced by 301 million (or 21 percent). Over that five-year period, the Postal Service managed to decrease work-hours in the mail processing and customer service categories by 34 percent and 35 percent, respectively, in excess of the 25 percent volume declines. In other categories in which the costs are more fixed (in particular, delivery, where new delivery points are added each year), the decrease in work-hours has been less than the volume decline, but still substantial. In the first three quarters of FY2013, the Postal Service eliminated an additional 11 million work-hours. On a year-over-year basis,

³⁴ UNITED STATES POSTAL SERV., FIVE-YEAR BUSINESS PLAN at 19 and 23.

Quarter 3 work-hours were 6.3 percent lower in FY2013 than in FY2010. In total, work-hours dropped by 504 million from 2000 through 2012; at current compensation and benefit levels, this represents over \$22 billion in annual savings.

Total factor productivity (TFP) offers another view of how the Postal Service has increased efficiency. In the three year period from FY2010 through FY2012, the Postal Service's TFP increased 4.4 percentage points.³⁵ For comparison, TFP increased in the entire private nonfarm business sector by 4.6 percent for the three years from the end of 2009 to the end of 2012.³⁶ The Postal Service has therefore essentially performed on par with the private nonfarm business sector. Expanding the frame back to the beginning of the Great Recession in FY2008, the Postal Service has outperformed the private nonfarm business sector in TFP growth, with 3.0 percent gains from the end of FY2007 through FY2012, compared with 2.7 percent gains in the private sector over the same time period.

Beneath these relatively close numbers lies a dramatic testament to the Postal Service's ability to increase efficiency. While part of the private nonfarm business sector's productivity gains in FY2010-FY2012 are due to an 8.7-percent *increase* in

³⁵ USPS Annual Tables, FY 2012 TFP, Table 52 (filed with the Commission on June 26, 2013). This is the source for other Postal Service TFP and workload statistics in this paragraph.

³⁶ Bureau of Labor Statistics, Data Series ID MPU4910012, "Major Sector Multifactor Productivity: Private Non-Farm Business Sector" (base year 2005), *available at* <http://data.bls.gov> (accessed Sept. 6, 2013). This is the source for other private nonfarm business sector multifactor productivity statistics in this paragraph. The Bureau of Labor Statistics (BLS) publishes multifactor productivity statistics on a calendar-year basis, not a quarterly basis that would permit adjustment to postal fiscal years. Bureau of Labor Statistics, *Multifactor Productivity: Frequently Asked Questions*, at <http://www.bls.gov/mfp/mpfaq.htm#2> (last modified July 30, 2008). "Multifactor productivity," the Bureau of Labor Statistics' preferred term, means essentially the same thing as "total factor productivity." See ORG. FOR ECON. CO-OP. & DEV., MEASURING PRODUCTIVITY: MEASUREMENT OF AGGREGATE AND INDUSTRY-LEVEL PRODUCTIVITY GROWTH 125 (2001), at <http://www.oecd.org/std/productivity-stats/2352458.pdf>.

output since FY2009,³⁷ the Postal Service has achieved essentially the same productivity gains as the private nonfarm business sector in that time period even though Postal Service workload *continued to fall* by 6.5 percent, as mail volume declined by nearly 10 percent. This achievement is further underscored by the fact that constraints upon the ability of the Postal Service to reduce costs are considerably more restrictive than those faced by the private sector.

Thus, the Postal Service's productivity gains clearly demonstrate "honest, efficient, and economical management." In addition, if the point of comparison is shifted to other postal operators, Oxford Strategic Consulting ranked the Postal Service the most efficient among twenty industrialized countries' postal operators in terms of access to services, resource efficiency, and public trust. The report found that the Postal Service delivers nearly double the number of letters per employee as its closest ranking global competitor.

1. Mail Processing

The Postal Service has sought to reduce significant costs and improve efficiency by streamlining its mail processing network while continuing to provide appropriate levels of service. At the end of FY2006, the Postal Service had 673 processing facilities, and had reduced that number to 528 facilities by the end of FY2010. Since that time, the Postal Service has continued to reduce the total number of processing facilities, including as part of its network rationalization initiative, which was the subject of Docket No. N2012-1. Phase One of that initiative began with consolidations in the

³⁷ Bureau of Labor Statistics, Data Series ID PRS85006043, "Major Sector Productivity and Costs: Nonfarm Business Sector Output" (base year 2009), *available at* <http://data.bls.gov> (accessed Sept. 6, 2013). To arrive at this percentage change figure, (1) the index was converted to a postal fiscal year basis by adding together Quarter 4 of one year with Quarters 1 through 3 of the following year, and (2) the FY2012 sum was divided by the FY2009 index sum and converted to a percentage.

summer of 2012. This built upon earlier consolidations, so that, altogether between the end of FY2010 and the end of FY2012, the Postal Service was able to reduce the total number of processing facilities by 111 out of 528, slightly more than one in five. The pace of closures has accelerated in FY 2013: the Postal Service will end the year with approximately 95 fewer processing facilities than at the end of FY 2012. In total, over the past seven fiscal years, the Postal Service has reduced the number of processing facilities by approximately half. Further reduction in the size of the network will be enabled by Phase Two of network rationalization, which will begin early next year.

As an example of how these efforts have increased efficiency, network consolidation has contributed to a 3.0 percent drop in mail processing work-hours through Quarter 3 of FY2013. With the elimination of overnight First-Class Mail delivery for all but qualifying presort mail as part of Phase Two of network rationalization, currently planned for February, 2014, the Postal Service's Five-Year Plan anticipates having a network of fewer than 250 processing facilities. Overall, the Five-Year Plan projects \$3.1 billion in annual cost savings by FY2016 from mail processing network initiatives.

2. Delivery

The Postal Service has pursued various initiatives to reduce delivery network costs. The most significant recent initiative was the Postal Service's effort to transition to five-day street delivery of non-expedited letters and flats, while retaining six-day street delivery of packages. The Postal Service announced plans in February 2013 to move ahead with implementation in August, during a period when the legal authority to

do so was then available. Congress blocked the Postal Service's plan, however, by extending the requirement that the Postal Service provide 6-day delivery of all mail.³⁸

At the same time, the Postal Service has reduced costs and increased efficiency by consolidating and reducing delivery routes, despite a rising tide of delivery points. Between the end of FY2010 and the end of FY2012, the Postal Service decreased the total number of delivery routes by 2.3 percent (from 232,285 to 226,999) despite a surge in delivery points of approximately 1.3 million. In FY2012 alone, the Postal Service absorbed 654,560 new delivery points, which might ordinarily have required adding 1,212 routes, and yet the Postal Service instead managed to *reduce* total delivery routes by 1,161. From the recent peak in FY2007, the Postal Service reduced the total number of delivery routes through FY2012 by 9.5 percent (from 250,582 to 226,999). The Postal Service also consolidated or eliminated 1,156 delivery routes in the first three quarters of FY2013. As discussed above, the Postal Service has also substantially reduced delivery work-hours.

The Postal Service has increased efficiency through other types of delivery network consolidation as well. In FY2012, it relocated delivery operations from 233 smaller units into centralized units, bringing the total count of consolidated delivery units to 734. The same year, the Postal Service converted 7,000 business delivery points to centralized delivery and introduced a new box unit with parcel lockers to increase customer acceptance of centralized delivery. Overall, the Postal Service's decisions led to \$400 million in cost savings from the delivery network in FY2012, and the overall

³⁸ Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. No. 113-6, §§ 1105, 1111, 127 Stat. 198, 413-14 (2013) (carrying forward advance appropriations and related provisos from FY2012 appropriations act, including proviso in Postal Service appropriations requiring six-day street delivery).

delivery consolidation plan is estimated to bring \$1.4 billion in annual cost savings by FY2016.

3. Retail

The Postal Service has also sought cost reduction opportunities in the retail network, while still providing adequate access to postal customers. From the end of FY2010 through FY2012, the Postal Service eliminated 671 Postal Service-operated retail facilities, and considered plans for more significant closures and consolidations. However, in response to feedback from customers and Congress, the Postal Service began implementing the Post Office Structure Plan (POStPlan), which improves efficiency and preserves rural Post Offices by tailoring retail window hours to the level of customer demand. In the first nine months of FY2013, POStPlan allowed the Postal Service to reduce retail window hours at 7,397 Post Offices. POStPlan is expected to be complete by early 2015 and to cover a total of roughly 13,000 Post Offices. The Postal Service is also expanding alternative access through the use of partner-operated Village Post Offices (VPOs), of which there were over 300 as of the end of the last quarter, with the number steadily expanding.

Overall, POStPlan is expected to eventually achieve over \$500 million in annual cost savings. In general, the Postal Service expects to achieve \$1.5 billion in annual savings from retail operations by FY2016 as part of the Five-Year Plan.

4. Workforce Management

The Postal Service has made significant strides in reducing the number of employees. From the end of FY2007 through FY2010, the Postal Service reduced career employee complement by approximately 156,000 employees, or 23 percent. Through Quarter 3 of FY2013, the career complement decreased by an additional

34,000 employees. These reductions have included bargaining unit positions as well as administrative, supervisory, and postmaster positions.

In addition to normal retirement and attrition, the Postal Service accelerated workforce reductions by offering voluntary early retirement incentives. In FY2012, approximately 4,275 postmasters and 2,925 mail handlers accepted such incentives, as did approximately 22,800 employees represented by the American Postal Workers Union (APWU) in FY2013. Through these actions, the Postal Service has continued to ensure service levels that meet contemporary expectations while restoring its career workforce to a level not seen since 1966. Recently, the Postal Service announced further organizational changes that could include a reduction-in-force, depending on the effect of avoidance measures such as an additional voluntary early retirement offer.

In addition, the Postal Service has increased the proportion of non-career employees, as a result of added flexibility under the collective bargaining agreement that the Postal Service negotiated with the APWU and the arbitrated agreements with the National Association of Letter Carriers (NALC) and the National Postal Mail Handlers Union (NPMHU). These negotiated and arbitrated agreements greatly increased the Postal Service's ability to utilize non-career employees. In total, the Postal Service has added approximately 35,200 non-career employees to the rolls since the end of FY2010 through the end of the last quarter, with a total non-career complement numbering approximately 123,000, or 20 percent of total complement. By comparison, non-career employees constituted approximately 13 percent of total complement in FY2010. The number of non-career employees has continued to increase in this quarter as well, and the Postal Service anticipates having a total non-

career complement of approximately 127,000 by the end of FY2013. Not only are these additional non-career employees far less numerous than the number of eliminated career positions, which means that total complement is still declining, but they also much less expensive for the Postal Service to employ.

5. Compensation and Benefits

Since the end of FY2010, the Postal Service has been diligent in seeking to control the growth of wages and benefits within the constraints imposed by the law (in particular, the binding arbitration provisions of 39 U.S.C. § 1207). In 2011, the Postal Service negotiated a new agreement with the APWU, which included both immediate cost savings as well as significant structural changes to the APWU workforce. In particular, the agreement included the following significant elements:

- A two-year wage freeze, followed by three modest increases;
- Elimination of cost-of-living adjustment (COLAs) in the first year, and deferral of the second-year COLA, along with an adjusted COLA base;
- Significant new flexibility as to shift schedules;
- A new, lower pay schedule for new career employees;
- Increased flexibility to use non-career employees, with a significantly lower pay scale, no pension benefits, and a reduced health care benefit consistent with the requirements of the Affordable Care Act; and
- A phased reduction in employer contributions to federal health insurance premiums from 81 percent to 76 percent.

While the Postal Service had sought even more aggressive cost savings with the APWU, it made the reasonable decision to accept a negotiated compromise that

achieved these substantial changes, rather than risk an unpredictable arbitration award. Achieving a negotiated agreement along these lines also proved important in subsequent interest arbitrations with the NALC, NPMHU, and the National Rural Letter Carriers Association (NRLCA). Each arbitration panel referenced the negotiated APWU agreement as important precedent, and each panel issued an award with terms similar to the APWU contract. As a result, these awards provided significant additional labor cost savings. The Postal Service has already utilized almost all of its allotments to hire non-career Postal Support Employees under the APWU agreement, Mail Handler Assistants under the NPMHU agreement, and City Carrier Assistants under the NALC agreement.

While these collective bargaining agreements resulted in substantial savings, Congress's decision to require the continuation of 6-day delivery also led the Postal Service to seek to reopen discussions with labor organizations about further ways to reduce workforce costs. However, each organization refused the invitation to do so.³⁹

The Postal Service has also realized cost savings from non-bargaining unit employees. Following consultations with postmaster and supervisor organizations, the Postal Service has set forth a package that includes a two-year wage freeze for those employees and the phased reduction of the Postal Service's employer contributions to

³⁹ Letter from John F. Hegarty, President, Nat'l Postal Mail Handlers Union, to Patrick R. Donahoe, Postmaster General and Chief Executive Officer, United States Postal Service (May 7, 2013), at <http://www.npmhu.org/media/news/body/5-07-13-Reply-to-PMGs-request-to-reopen-negotiations.pdf>; Letter from Louis M. Atkins, President, Nat'l Ass'n of Postal Supervisors, et al., to Patrick R. Donahoe, Postmaster General and Chief Executive Officer, United States Postal Service (Apr. 16, 2013), at http://www.naps.org/images/uploads/4-16-2013_NAPS_Response_to_Pay_Consultation_Request.pdf; Am. Postal Workers Union, AFL-CIO, *APWU President: "Congress Is Killing the Postal Service"* (Apr. 11, 2013), at <http://www.apwu.org/news/nsb/2013/nsb03-130411-congressmustact.htm>; Nat'l Rural Letter Carriers Ass'n, *Postal Service to Save Six-Day Mail Delivery* (Apr. 11, 2013), at <https://www.nrlca.org/UploadedImages/ContentDocument/Release%2016-1%204-11-13.pdf>; Nat'l Ass'n of Letter Carriers, AFL-CIO, *NALC President Fredric Rolando Statement on USPS Board of Governors Announcement* (Apr. 10, 2013), at http://www.nalc.org/news/latest/2013-04-10_board.html.

their federal health insurance premiums from 81 percent to 72 percent. The Postal Service has maintained a freeze on base salary increases and performance bonuses for all other non-bargaining unit employees, including officers and executives, for three years (FYs 2011, 2012, and 2013), and is also reducing the employer contribution to their health care to 72 percent. Leave accrual rates for new non-bargaining unit employees have also been adjusted downward. Total salaries and benefits for non-bargaining employees (excluding temporary and casual employees) for FY2012 were almost \$800 million less than in FY2009.

All of these measures have resulted in the reduction of compensation and benefits costs. From FY2010 to FY2012, compensation and benefits costs were reduced by \$1.2 billion, or 2.5 percent. These reductions are continuing: if the cost of separation incentives is excluded, total compensation and benefits expense for the nine months ended June 30, 2013, would have decreased by \$0.9 billion, or 2.6 percent, compared to the same period in 2012.

6. Revenue Generation

Although the Postal Service operates under severe constraints on its ability to raise adequate revenue to ensure financial stability under normal circumstances, the Postal Service has exercised honest, efficient, and economical management by growing revenue using the tools available to it. The Postal Service has adjusted market dominant product prices, within the constraints imposed by the law, with an eye toward growing revenue in a sustainable manner; in this endeavor, the Postal Service's goal has been to obviate, to the extent possible, the trends that are driving down mail volumes. The Postal Service has also successfully utilized its greater flexibility with

respect to competitive products to raise revenues from those products, within the intensely competitive marketplace for parcels and expedited letters.

Indeed, the Commission has noted that the Postal Service has managed to grow competitive product revenue.⁴⁰ Revenue from competitive shipping and package products grew by 14 percent between the end of FY2010 and the end of FY2012; with one exception, revenue for each product within that category also grew over that period. International mail revenue also swelled by 18 percent over the same period. The trend is continuing in FY2013: in the first nine months of FY2013, competitive shipping and package revenue is up 7.5 percent over the same period in FY2012, and international mail revenue is 4.7 percent higher.

This growth is very strong even when one excludes the impact of products that have been transferred to the competitive side: for the “legacy” competitive products of Express Mail, Priority Mail, Parcel Select, and Parcel Return Service, revenue has grown by 14.1 percent from FY2010-FY2012. The largest competitive product in terms of revenue, Priority Mail, saw revenue growth of 9 percent in that time period behind the success of the “If It Fits, It Ships” campaign to promote Priority Mail flat-rate options. The Postal Service’s Five-Year Plan projects that revenue from shipping and parcel products will increase by \$4.8 billion from FY2012 to FY2017.

In the market-dominant sphere, the Postal Service has introduced products and promotions to engage customers and attract volume and revenue. One significant innovation has been the Every Door Direct Mail Retail product, which simplifies the process of sending advertising mail. Examples of promotions include the 2011

⁴⁰ Annual Compliance Determination Report, Fiscal Year 2012, PRC Docket No. ACR2012 (revised May 7, 2013), at 8, 32.

Saturation and High Density Incentive Program, which rewarded mailers with rebates for volume above a threshold, and the 2012 Mobile Commerce and Personalization Promotion, one part of an effort to integrate the mail with emerging technologies. The Postal Service has also introduced other enhanced products and services that increase the value of the mail, such as the “2nd Ounce Free” promotion and Picture Permit Imprint Indicia.

Going forward, the Postal Service will, under the Five-Year Plan, continue its efforts to grow revenue. In particular, the Postal Service will continue to (1) enhance the value of the mail to users by increasing the interactivity of mail with digital technology, (2) improve shipping and package services’ value relative to competing products, (3) increase the effectiveness of the mail as a solution for e-commerce fulfillment, and (4) expand the Postal Service’s presence in the digital marketplace in a manner that complies with the law.

C. The Postal Service Plans to Continue to Pursue Actions Consistent with Exercise Honest, Efficient, and Economical Management, in Addition to Its Price Adjustment Request.

Implementation of this increase would not blunt the Postal Service’s incentives to continue to reduce costs and increase efficiency, consistent with “honest, efficient, and economical management.” The Postal Service faces direct competition with respect to all of its products, including those covered by the statutory mail monopoly. It expects continued volume declines in First-Class Mail, its most profitable product, as customers increasingly use electronic means to communicate and conduct transactions. As discussed by Mr. Nickerson, even with this price increase the Postal Service would still have only a very modest level of liquidity, even after defaulting on its legally mandated retiree health benefits prefunding through FY 2016, and with various factors coming into

play that will put upward pressure on Postal Service costs. Thus, the Postal Service has no choice but to continue to be aggressive in seeking cost reductions.

Indeed, as noted above, under the Five-Year Plan the Postal Service will continue to align the processing network to match volumes, increase alternative access and self-service options for retail customers, follow through on POStPlan to match retail service hours to volumes around the country, and expand the use of centralized delivery. These operational initiatives are expected to save \$6.0 billion by 2016. Combined with wage restraint and workforce flexibility initiatives, the Postal Service expects to save \$7.8 billion by FY2016.⁴¹ Of course, as with any plan, unexpected events could occur that prevent the achievement of some of these savings. Nevertheless, these clear goals, and the Postal Service's track record in realizing significant cost savings, demonstrate that the Postal Service will continue exercising "honest, efficient, and economical management" going forward.⁴²

The Postal Service will also continue to urge Congress to enact comprehensive postal reform legislation, because it is only through such legislation that the Postal Service can restore its long-term financial viability. However, the Commission cannot assume that a merely hypothetical Congressional enactment somehow vitiates the need for the relief requested here. There is no guarantee that Congress will enact any reform at all in the near term, much less that such reform would fulfill the totality of the Postal Service's goals or resolve the necessity of this increase. Until the time that reform legislation is enacted, and can be evaluated, it is enough simply to note that the Postal

⁴¹ UNITED STATES POSTAL SERV., FIVE-YEAR BUSINESS PLAN, at 19, 23.

⁴² At the same time, as Mr. Nickerson discusses, the potential achievement of the further savings called for in the Five-Year Plan would not obviate the need for this increase.

Service, in keeping with its responsibilities of prudent management, is very active in urging Congress to authorize measures to enable the Postal Service to truly restore its long-term financial viability.

VII. Reasonable and Equitable

39 C.F.R. § 3010.61(a)(5) requires a “full discussion of why the requested increases are reasonable and equitable as among types of users of market dominant products.” Mr. Taufique explains in his statement why the requested increases are reasonable and equitable among mail users. As to reasonable, while the Postal Service could have requested price increases equaling several billion dollars in contribution, it has limited itself to increases equaling \$1.78 billion in annual contribution. It did so out of an abundance of caution. The Postal Service is mindful that mailers are also facing a slow recovery from the recession, and therefore it is being careful to avoid significant price increases.

As to the equitable requirement, Mr. Taufique explains that the burden of the 4.3 percent increase has been spread equally across all classes of mail and, as much as practicable, to all products and even to each rate cell, with the limited exceptions he notes. With an exigent circumstance as broad as the recession, the Postal Service believes that it is inherently equitable to seek recovery of lost contribution broadly and uniformly, rather than targeting particular classes or products.

VIII. Harmonization of Exigent Increases with Past Market Dominant Increases

In Order No. 1059, the Commission directed the Postal Service to address how its exigent increases should be harmonized with the market dominant price adjustments that have been implemented since the Commission issued Order No. 547. Following

Order No. 547, and during the pendency of its petition for review, the Postal Service's finances mandated that it resume Type 1 inflation-based price adjustments, beginning with Docket No. R2011-2 filed in January of 2011. Additional Type 1 price adjustments followed in FY2012 (Docket No. R2012-3, filed in October 2011) and FY2013 (Docket No. R2013-1, filed in October 2012, and Docket No. R2013-7, filed in May 2013). A Type 1 adjustment based on movement in CPI-U from September 2012 through August 2013 was also filed immediately prior to this Request.

The Postal Service believes that, in harmonizing these adjustments with the exigent increases, the Commission should not penalize the Postal Service simply because the course of this proceeding, coupled with the Postal Service's financial needs, has led to a series of CPI-based price adjustments during the pendency of this docket. Therefore, the Postal Service's preferred approach is for harmonization to reflect the state of affairs that would have obtained had the Commission not denied the Postal Service's original request.

Based on the filing of its original request, the Postal Service would have begun accruing inflation-based pricing authority beginning in June 2010. Thus, under the Postal Service's preferred method, price adjustment authority arising prior to June of 2010 is exhausted, while price adjustments resulting from inflation after that date are simply normal Type 1 adjustments requiring no special accounting. This in turn would mean that banked authority from Docket No. R2009-2 would be eliminated, banked authority from Docket No. R2008-1 having already expired. It would also mean the elimination of the -0.577 percent in the bank from Docket No. R2011-2, as it represents negative inflation from the months preceding the July 2010 filing.

It is true that the Postal Service's increase in Docket No. R2011-2 included the six months of inflation immediately prior to June 2010. These six months created 1.161 percent in inflation-based price authority, or 0.45 to 0.57 percent, depending on the class, above the price adjustment authority that the Postal Service calculated itself as having upon the filing of the July 2010 exigent request.⁴³ This should not trouble the Commission, however, because the amount of additional contribution that the Postal Service is seeking in this proceeding is much lower than it is entitled to under the exigency provision, or than what it originally sought in this docket (\$3.1 billion).

A second workable approach would be to use up all banked pricing authority currently extant, including any unused authority not applied in the Docket No. R2013-10 adjustment filed today. The table below lists all unused rate adjustment authority, by class, that is presently available to the Postal Service.⁴⁴

Table 3: Unused Rate Adjustment Authority

Class	Unused Authority (%)
First-Class Mail	- 0.435 %
Standard Mail	- 0.354 %
Periodicals	- 0.429 %
Package Services	- 0.424 %
Special Services	1.814 %

Under the second method, all of this unused authority would be eliminated upon approval of the exigent price increases. This approach creates at least one anomaly. A series of price reductions for Special Services commencing with Docket No. R2012-3 and culminating in Docket No. R2013-7 resulted in 3.678 percent in banked price

⁴³ See Exigent Request of the United States Postal Service, *supra* note 1, at 13 (listing the available unused price adjustment authority, by mail class, available as of July 2010).

⁴⁴ This table satisfies the requirement of 39 C.F.R. § 3010.63(a).

adjustment authority, even after absorbing the banked -0.577 created by Docket No. R2011-2. Even after using the maximum amount of this authority allowed under law in the Type 1 case filed today in Docket No. R2013-10, a significantly greater proportion of the exigent increase for Special Services would be attributable to implicit banked price authority than for any other class, simply because Special Services has benefited from prior price reductions.

At bottom, the Postal Service believes that, while harmonization must be decided as part of this case, the issue should not deflect attention from the fundamental point of this proceeding: the critical need of the Postal Service for this increase in order to maintain a sufficient level of liquidity to ensure the continuation of effective and regular postal services. In other words, the \$1.78 billion in annual contribution to be gained from the 4.3 percent exigent price adjustment the Postal Service seeks is “necessary ... to maintain and continue development of postal services of the kind and quality adapted to the needs of the United States,” regardless of which approach to harmonization, if any, the Commission deems appropriate. While the Postal Service prefers the first method discussed above, it would not object to application of the second method.

IX. Timing of Renewed Request

39 C.F.R. § 3010.61(a)(8) requests “[s]uch other information as the Postal Service believes will assist the Commission to issue a timely determination of whether the requested increases are consistent with applicable statutory policies.” The Postal Service expects that certain parties will point to the passage of time since the onset of the recession, or the issuance of Order No. 1059, as a reason for denying this Request. The Postal Service explains here why that notion is incorrect.

As discussed above, the Request satisfies all of the conditions set forth in the statute: the requested increase is “due to” circumstances that have been identified by the Commission as being “extraordinary or exceptional;” the proposed rate design is “reasonable and equitable;” and implementation of the increase is “necessary to enable the Postal Service, under best practices of honest, efficient, and economical management, to maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States.” Considering these facts, there is no basis to find that the passage of time between the onset of the recession or the issuance of Order No. 1059, and the filing of this response, necessitates dismissal of the Postal Service’s Request.

The Postal Service raises this issue because the Public Representative has argued, following the remand, that the exigent provision requires the Postal Service to act rapidly to increase rates in response to an exigent circumstance, or else the Postal Service violates the intent of the statute.⁴⁵ The Commission itself made suggestions in this regard in its original decision, noting that a “delay in pursuing its exigent rate relief raises additional questions about whether the Postal Service views its financial situation as an emergency”,⁴⁶ though it did not raise this issue in its Brief to the Court, and in fact

⁴⁵ Response of Public Representative Response to Motion of the United States Postal Service to Stay Its Request for Exigent Relief, PRC Docket No. R2010-4R (Oct. 11, 2011), at 2 (“The concept of delay is inapposite to the intent of the statute, which is to provide rapid financial relief to the Postal Service when circumstances arise that cannot be dealt with in the normal course of business.”).

⁴⁶ Order No. 547 at 66.

noted that it stood “ready to entertain” a renewed request from the Postal Service,⁴⁷ a position that it re-iterated following the remand.⁴⁸

An argument that the Postal Service must act expeditiously to implement an exigent increase following the occurrence of “extraordinary or exceptional circumstances,” analogous to a person immediately calling 9-1-1 in an emergency, improperly conflates what the exigent provision *allows* with what it *requires*. Certainly, the language of the statute allows the Postal Service to expeditiously seek an above-cap increase immediately following an exigent circumstance, but nothing in the statute indicates that the Postal Service *must* do so or else lose the right to an exigent increase predicated on that circumstance. The statute sets forth various requirements for the approval of an exigent increase, none of which require that the Postal Service always pursue a request within a particular timeframe following exigent circumstances. Nor can the Commission permissibly add an extra-statutory timing requirement on top of the existing requirements.⁴⁹

Certainly, the passage of time from when an exigent circumstance occurs could, in certain cases, render an exigent increase inappropriate under the statutory requirements. In particular, it is possible that circumstances could have changed sufficiently from the occurrence of an exigent event such that the original “net adverse

⁴⁷ Respondent’s Brief at 45, *United States Postal Serv. v. Postal Reg. Comm’n*, 640 F.3d 1263 (D.C. Cir. 2011) (No. 10-1343).

⁴⁸ Order No. 864 at 53.

⁴⁹ While the Senate report to S. 2468 did describe the exigency provision as necessary to “recognize the potential need for rapid changes to the postal rate structure in the event of a national emergency,” S. REP. NO. 108-18, at 11-12 (2004), that language was describing the “unexpected and extraordinary circumstances” language that was not enacted into law. Thus, the statement is not relevant to interpreting the exigency provision that was actually enacted in the PAEA, and in any event cannot contradict the plain language of the statute, which does not condition approval of any increase on the “rapidity” by which the Postal Service has sought an increase to respond to an exigent circumstance.

financial impact” of the event is no longer affecting the Postal Service, or an above-cap increase is no longer “necessary” in order to “maintain and continue” effective and regular postal services. In other cases, however, the opposite will be true, in which an exigent event has had an ongoing and persistent “net adverse financial impact” on the Postal Service, and the situation is such that addressing that impact remains “necessary.” That is the case here, as discussed in the statements by Mr. Thress and Mr. Nickerson. In such instances, it would be inappropriate for the Commission to deny an exigent request simply due to the passage of time, which by itself is not a relevant factor in determining the propriety of an exigent increase. Consistent with the statute, nothing in the Commission’s rules governing an exigent increase indicates that the passage of time between the onset of exigent circumstances and the implementation of an increase due to those circumstances is a relevant factor in considering a Postal Service request. In fact, when it promulgated the rules, the Commission expressly noted that the use of the term “exigent” to describe these cases, which can be read to suggest a requirement of urgency, is merely a convenient “shorthand” which does not have legal significance when determining whether to approve an above-cap increase.⁵⁰ While the rules do discuss the expedited nature of exigent proceedings, those statements deal with the treatment by the Commission of a Postal Service request, consistent with the 90-day requirement set forth in the statute, and do not purport to govern whether and when the Postal Service decides to pursue an exigent increase following exigent circumstances.

⁵⁰ Order No. 43 at 66. See *also* Order No. 547 at 28 n.30.

Moreover, grafting an additional condition onto the exigency provision requiring that the Postal Service seek to expeditiously pierce the cap when an exigent event occurs undercuts both the interests advanced by the price cap and the important purposes underlying the exigency provision. The Commission has repeatedly noted the central importance of the price cap, and has said that the exigency provision must be seen as a “narrow exception” to the cap.⁵¹ It would therefore be illogical to penalize the Postal Service if it decides, following the occurrence of exigent circumstances, to take other actions in the hopes that those actions render it unnecessary to seek an above-cap price increase. In addition, the exigency provision serves the vital purpose of ensuring that the Postal Service can continue to provide effective and regular postal services following an exigent circumstance, and should not be denied on the basis of a technical ruling that the Postal Service should have pursued an increase more expeditiously than it did. This is particularly true considering that the delay inherent in the Postal Service diligently pursuing means to avoid an exigent increase following the occurrence of exigent circumstances in no way prejudices any party. Overall, reading the provision as requiring that the Postal Service expeditiously pursue an exigent increase, or else lose the right to such an increase, ill-serves the interests of both the mailers and the Postal Service, and is inconsistent with the ratemaking scheme established by the PAEA.

Seeking to avoid the need for an above-cap increase is precisely what the Postal Service has done since Order No. 1059 was issued in December 2011. The Postal Service determined that, rather than move forward with an exigent increase at that time,

⁵¹ See, e.g., Order No. 864 at 3 (price cap is the “cornerstone of the PAEA’s ratemaking system,” with the exigency provision serving as a “narrow exception to the price cap”); *id.* at 32 (“The price cap plays the central role in implementing the purposes and policies of the PAEA.”).

it would first pursue comprehensive reform legislation in the hopes that such legislation could be enacted in a timely manner and either obviate the need for an exigent increase entirely, or at least reduce the amount needed. It has also continued to aggressively seek ways to reduce its costs and increase its revenues, as discussed above in Section VI.

While the Commission previously stated that it would not formally stay this docket because of the possibility of legislative relief,⁵² that decision does not diminish that it was perfectly reasonable—and consistent with the statute—for the Postal Service to delay its response to Order No. 1059 in the hopes that legislation would be enacted in a timely manner. While the Commission indicated that a formal stay would be inconsistent with the objective of “predictability and stability in rates,”⁵³ that objective cannot be read as precluding the Postal Service from trying to adhere to the cap by seeking to absorb the impact of an exigent circumstance through means other than an exigent increase, before pursuing such an increase. Certainly, one objective in Section 3622(b) cannot override the express provisions of the exigent provision (which do not require the Postal Service to seek an increase predicated on an exigent circumstance within a particular timeframe), just as one objective cannot override the provisions of the price cap, since both are located in Section 3622(d).

Furthermore, it is incorrect to say that delaying the pursuit of an exigent increase to first pursue other options to an above-cap increase is inconsistent with the objective of “predictability and stability in rates.” Any “unpredictability” flows directly from the fact that an exigent circumstance has occurred that could potentially justify an exigent

⁵² Order No. 937 at 7-8.

⁵³ *Id.* at 8.

increase. But, for the reasons discussed above, the statute cannot reasonably be read to say that the Postal Service must expeditiously pursue an exigent increase, even if in a perverse way that may lead to greater “certainty.” “Predictability and stability” is fully served by the Postal Service attempting to continue providing effective and regular postal services under the price cap following an exigent circumstance, and, if that is not possible, providing adequate notice of an exigent increase (i.e., a notice that is at least 90 days before the implementation of the increase). Thus, the Commission’s previous decision regarding a formal stay of this docket does not provide a basis to disregard the Postal Service’s decision to now move forward with an increase.

The fact that this Request is a response to Order No. 1059 makes no difference to this analysis. That Order did not set a deadline for a Postal Service response, and the Commission never closed this docket, which means that a response within this docket is proper. Even if it was not, the Postal Service would have the option of simply filing a new request with a new docket number, because, as discussed above, pursuing an exigent request on the basis of the recession is fully consistent with the language of the statute. As a practical matter, such a filing would have presented the same substantive information as this Request.⁵⁴

While the Postal Service has diligently sought comprehensive reform legislation that adequately addresses the shortcomings in its business model, and will continue to do so, the prospects for such legislation remain uncertain. While the Senate did enact a postal reform bill in April 2012, the 112th Congress ended in January 2013 without the passage of legislation. The Postal Service continues to work closely with the 113th

⁵⁴ See Order No. 1059 at 6-7 (requiring the Postal Service to present a “complete case” under the Commission’s rules). See *also* 39 C.F.R. § 3001.31(e).

Congress on the enactment of comprehensive postal reform legislation that provides financial savings consistent with the Five-Year Plan. However, while the Postal Service has previously considered it prudent to delay responding to Order No. 1059 in the hopes that comprehensive legislation providing sufficient financial relief could be enacted, it has now reached a position where it must move forward with this docket, for the reasons discussed above and in Mr. Nickerson's testimony.

X. Attachments

Attachment A shows the requested rate schedules, in Mail Classification Schedule format. Attachment B is a list of supporting materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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ATTACHMENT A

CHANGES TO MAIL CLASSIFICATION SCHEDULE

(Additions are underlined and deletions are marked with strike-through. Some unchanged language is included, but only to show the location of the changes. The proposed prices are listed in price tables, whether or not they are different from the current prices)

PART A MARKET DOMINANT PRODUCTS

* * * * *

1100 First-Class Mail

* * * * *

1105 Single-Piece Letters/Postcards

* * * * *

1105.5 Prices

Single-Piece Machinable Stamped Letters^{1, 2}

Maximum Weight (ounces)	Machinable Letters (\$)
1	0.49
2	0.70
3	0.91
3.5	1.12

Notes

1. The price for single-piece, first ounce letters also applies to sales of Forever stamps and Forever Print-on-Demand indicia at the time of purchase.
2. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

Single-Piece Machinable Metered Letters

Maximum Weight (ounces)	Machinable Letters (\$)
1	0.48
2	0.69
3	0.90
3.5	1.11

Single-Piece Nonmachinable Stamped Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	0.70
2	0.91
3	1.12
3.5	1.33

Single-Piece Nonmachinable Metered Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	0.69
2	0.90
3	1.11
3.5	1.32

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
1	0.473
2	0.683

Single-Piece Residual Machinable Letters

Maximum Weight (ounces)	Residual Machinable Letters (\$)
1	0.50
2	0.50
3	0.90
3.5	1.11

Single-Piece Postcards^{1, 2}

Maximum Weight (ounces)	Postcards (\$)	Single-Piece Double Card (\$)
not applicable	0.34	0.68

Notes

1. The price for single-piece postcards also applies to sales of stamped cards marked with Forever postage, at the time the stamped cards are purchased.
2. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement. Such inbound direct entry mail cannot include Single-Piece Double Cards.

Single-Piece QBRM Postcards

Maximum Weight (ounces)	QBRM Postcards (\$)
not applicable	0.326

1110 Presorted Letters/Postcards

* * * * *

1110.5 Prices

Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	0.381	0.406	0.406	0.435
2	0.381	0.406	0.406	0.435
3	0.641	0.666	0.666	0.695
3.5	0.771	0.796	0.796	0.825

Nonautomation Presorted Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.460
2	0.460
3	0.720
3.3	0.850

Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.668
2	0.668
3	0.928
3.5	1.058

Automation Postcards

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
not applicable	0.251	0.265	0.265	0.278

Nonautomation Presorted Machinable Postcards

Maximum Weight (ounces)	Presorted (\$)
not applicable	0.293

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Letters including a Repositionable Note

Add \$0.000 for each presorted letter bearing a Repositionable Note.

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation letter or automation postcard that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia.

* * * * *

1115 Flats

* * * * *

1115.5 Prices

Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.451	0.634	0.691	0.782
2	0.659	0.842	0.899	0.990
3	0.867	1.050	1.107	1.198
4	1.075	1.258	1.315	1.406
5	1.283	1.466	1.523	1.614
6	1.491	1.674	1.731	1.822
7	1.699	1.882	1.939	2.030
8	1.907	2.090	2.147	2.238
9	2.115	2.298	2.355	2.446
10	2.323	2.506	2.563	2.654
11	2.531	2.714	2.771	2.862
12	2.739	2.922	2.979	3.070
13	2.947	3.130	3.187	3.278

Presorted Flats

Maximum Weight (ounces)	Presorted (\$)
1	0.815
2	1.023
3	1.231
4	1.439
5	1.647
6	1.855
7	2.063
8	2.271

9	2.479
10	2.687
11	2.895
12	3.103
13	3.311

Single-Piece Flats¹

Maximum Weight (ounces)	Single-Piece (\$)
1	\$0.98
2	\$1.19
3	\$1.40
4	\$1.61
5	\$1.82
6	\$2.03
7	\$2.24
8	\$2.45
9	\$2.66
10	\$2.87
11	\$3.08
12	\$3.29
13	\$3.50

Notes

1. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Flats including a Repositionable Note

Add \$0.000 for each piece bearing a Repositionable Note.

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia.

* * * * *

1120 Parcels

* * * * *

1120.5 Prices

Retail¹

Maximum Weight (ounces)	Single-Piece (\$)
1	\$2.32
2	\$2.32
3	\$2.32
4	\$2.50
5	\$2.68
6	\$2.86
7	\$3.04
8	\$3.22
9	\$3.40
10	\$3.58
11	\$3.76
12	\$3.94
13	\$4.12

Notes

1. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

Keys and Identification Devices

Maximum Weight (ounces)	Keys and Identification Devices (\$)
1	\$3.15
2	\$3.15
3	\$3.15
4	\$3.33
5	\$3.51
6	\$3.69
7	\$3.87
8	\$4.05
9	\$4.23
10	\$4.41
11	\$4.59
12	\$4.77
13	\$4.95
1 (pound)	Priority Mail Retail Zone 4 postage plus \$0.83
2 (pounds)	Priority Mail Retail Zone 4 postage plus \$0.83

1125 Outbound Single-Piece First-Class Mail International

* * * * *

1125.6 Prices

Machinable Letters¹

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
2	1.15	1.72	2.13	2.13	2.13	1.98	1.98	1.98	1.98
3	1.61	2.29	3.12	3.12	3.12	2.81	2.81	2.81	2.81
3.5	2.08	2.86	4.11	4.11	4.11	3.64	3.64	3.64	3.64

Notes

1. International Forever stamps are sold at the price of a single-piece First-Class Mail International first ounce machinable letter and have a postage value equivalent to the price of a single-piece First-Class Mail International first ounce machinable letter in effect at the time of use.

Nonmachinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
2	1.36	1.93	2.34	2.34	2.34	2.19	2.19	2.19	2.19
3	1.82	2.50	3.33	3.33	3.33	3.02	3.02	3.02	3.02
3.5	2.29	3.07	4.32	4.32	4.32	3.85	3.85	3.85	3.85

Postcards

Maximum Weight (ounces)	Canada (\$)	Mexico (\$)	All Other Countries (\$)
not applicable	1.15	1.15	1.15

Large Envelopes (Flats)

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	2.29	2.29	2.29	2.29	2.29	2.29	2.29	2.29	2.29
2	2.50	2.97	3.23	3.23	3.23	3.18	3.18	3.18	3.18
3	2.71	3.64	4.16	4.16	4.16	4.06	4.06	4.06	4.06
4	2.91	4.32	5.10	5.10	5.10	4.94	4.94	4.94	4.94
5	3.12	5.00	6.04	6.04	6.04	5.83	5.83	5.83	5.83
6	3.33	5.67	6.97	6.97	6.97	6.71	6.71	6.71	6.71
7	3.54	6.35	7.91	7.91	7.91	7.60	7.60	7.60	7.60
8	3.75	7.03	8.85	8.85	8.85	8.48	8.48	8.48	8.48
12	4.79	8.48	10.72	10.72	10.72	10.31	10.31	10.31	10.31
16	5.83	9.94	12.60	12.60	12.60	12.13	12.13	12.13	12.13
20	6.87	11.40	14.47	14.47	14.47	13.95	13.95	13.95	13.95
24	7.91	12.86	16.34	16.34	16.34	15.77	15.77	15.77	15.77
28	8.95	14.31	18.22	18.22	18.22	17.59	17.59	17.59	17.59
32	9.99	15.77	20.09	20.09	20.09	19.41	19.41	19.41	19.41
36	11.03	17.23	21.97	21.97	21.97	21.24	21.24	21.24	21.24
40	12.08	18.69	23.84	23.84	23.84	23.06	23.06	23.06	23.06
44	13.12	20.14	25.71	25.71	25.71	24.88	24.88	24.88	24.88
48	14.16	21.60	27.59	27.59	27.59	26.70	26.70	26.70	26.70
52	15.20	23.06	29.46	29.46	29.46	28.52	28.52	28.52	28.52
56	16.24	24.52	31.33	31.33	31.33	30.35	30.35	30.35	30.35
60	17.28	25.97	33.21	33.21	33.21	32.17	32.17	32.17	32.17
64	18.32	27.43	35.08	35.08	35.08	33.99	33.99	33.99	33.99

* * * * *

1200 Standard Mail (Commercial and Nonprofit)

* * * * *

1205 High Density and Saturation Letters

* * * * *

1205.6 Prices

Saturation Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.198	0.121
DNDC	0.164	0.087
DSCF	0.153	0.076

High Density Plus Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.210	0.131
DNDC	0.176	0.097
DSCF	0.166	0.086

High Density Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.213	0.134
DNDC	0.179	0.100
DSCF	0.169	0.089

Saturation, High Density Plus, and High Density Nonautomation Letters (3.3 ounces or less) Regular

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.211	0.238	0.243

*Standard Mail (Commercial and Nonprofit)
High Density and Saturation Flats/Parcels*

DNDC	0.176	0.204	0.209
DSCF	0.166	0.194	0.199

*Saturation, High Density Plus, and High Density Nonautomation Letters
(3.3 ounces or less) Nonprofit*

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.131	0.159	0.164
DNDC	0.097	0.125	0.130
DSCF	0.087	0.114	0.119

Pieces weighing more than 3.3 ounces

Automation letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

High Density and Saturation Letters that weigh more than 3.5 ounces, and saturation (other than pieces with a simplified address) and high density letter-shaped pieces without eligible barcodes or not meeting automation letter standards that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit), Mail High Density and Saturation Flats/Parcels, Flats price tables (1210.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.365 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters including a Repositionable Note

Add \$0.000 for each letter bearing a Repositionable Note.

Full-service Intelligent Mail Option

Subtract \$0.001 for each letter that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

* * * * *

1210 High Density and Saturation Flats/Parcels

* * * * *

1210.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	Commercial (\$)		Nonprofit (\$)
	EDDM	Other	
Origin	0.212	0.211	0.131
DNDC	0.177	0.176	0.097
DSCF	0.167	0.166	0.087
DDU	0.157	0.156	0.077

Saturation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.079	0.037

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.638	0.461
DNDC	0.470	0.293
DSCF	0.420	0.243
DDU	0.375	0.198

Saturation Parcels

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.271	0.313	0.203	0.235
200,001-400,000	0.261	0.302	0.196	0.227
400,001-600,000	0.250	0.292	0.188	0.219
600,001-800,000	0.240	0.282	0.180	0.212
800,000-1,000,000	0.229	0.271	0.172	0.203
Over 1,000,000	0.219	0.261	0.165	0.196

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	47.576	38.061
DNDC – 5-Digit	77.357	61.885
DSCF – 5-Digit	36.244	28.995
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	6.479	5.184

High Density Plus Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.238	0.159
DNDC	0.204	0.125
DSCF	0.194	0.114
DFSS Facility	0.194	0.114
DFSS Scheme	0.193	0.113
DDU	0.184	0.105

High Density Plus Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece - DFSS	0.086	0.044
Per Piece - Other	0.087	0.045

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.638	0.461
DNDC	0.470	0.293
DSCF	0.420	0.243
DFSS Facility	0.420	0.243
DFSS Scheme	0.420	0.243
DDU	0.375	0.198

High Density Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.243	0.164
DNDC	0.209	0.130
DSCF	0.199	0.119
DFSS Facility	0.199	0.119
DFSS Scheme	0.198	0.118
DDU	0.189	0.110

High Density Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece - DFSS	0.111	0.069
Per Piece - Other	0.112	0.070

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.638	0.461
DNDC	0.470	0.293
DSCF	0.420	0.243
DFSS Facility	0.420	0.243
DFSS Scheme	0.420	0.243
DDU	0.375	0.198

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Flat-shaped pieces including a Detached Address Label

Add \$0.0343 for each piece addressed using a Detached Address Label with no advertising, and \$0.0343 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.095 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Flats including a Repositionable Note

Add \$0.000 for each flat bearing a Repositionable Note.

Full-service Intelligent Mail Option

Subtract \$0.001 for each high density flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia: flats only

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

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1215 Carrier Route

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1215.6 Prices

Carrier Route Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.295	0.216
DNDC	0.261	0.182
DSCF	0.251	0.171

Carrier Route Letters weighing greater than 3.3 ounces

Automation-compatible barcoded carrier route letter-sized pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats Standard Mail (Commercial and Nonprofit) Carrier Route piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

Nonautomation basic carrier route letters pay prices shown in 1215.6 Carrier Route Flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

Carrier Route Nonautomation Letters weighing greater than 3.5 ounces

Carrier Route letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Carrier Route Flats price tables (1215.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Carrier Route Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.295	0.216
DNDC	0.261	0.182
DSCF	0.251	0.171

<u>DFSS Facility</u>	<u>0.251</u>	<u>0.171</u>
<u>DFSS Scheme</u>	<u>0.250</u>	<u>0.170</u>
DDU	0.241	0.162

Carrier Route Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece - DFSS	0.143	0.101
Per Piece - Other	0.144	0.102

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.731	0.553
DNDC	0.563	0.385
DSCF	0.513	0.335
DFSS Facility	0.513	0.335
DFSS Scheme	0.513	0.335
DDU	0.468	0.290

Carrier Route Parcels

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.375	0.417	0.282	0.313
200,001-400,000	0.365	0.407	0.274	0.306
400,001-600,000	0.355	0.396	0.266	0.297
600,001-800,000	0.344	0.386	0.259	0.290
800,000-1,000,000	0.334	0.375	0.250	0.282
Over 1,000,000	0.323	0.365	0.243	0.274

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	47.576	38.061
DNDC – 5-Digit	77.357	61.885
DSCF – 5-Digit	36.244	28.995
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	6.479	5.184

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.365 per piece, forwarded flats pay \$1.095 per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters and flats including a Repositionable Note

Add \$0.000 for each letter or flat bearing a Repositionable Note.

Full-service Intelligent Mail Option: letter and flats only

Subtract \$0.001 for each carrier route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

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1220 Letters

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1220.6 Prices

Automation Letters (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.261	0.279	0.279	0.301	0.143	0.161	0.161	0.183
DNDC	0.227	0.245	0.245	0.267	0.109	0.127	0.127	0.149
DSCF	0.217	0.235	0.235	n/a	0.099	0.117	0.117	n/a

Machinable Letters (3.3 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.291	0.309	0.173	0.191
DNDC	0.257	0.275	0.139	0.157
DSCF	0.246	n/a	0.128	n/a

Nonmachinable Letters (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.452	0.545	0.576	0.664	0.334	0.427	0.458	0.546
DNDC	0.418	0.511	0.542	0.630	0.300	0.393	0.424	0.512
DSCF	0.408	0.501	0.532	n/a	0.289	0.382	0.413	n/a

Pieces weighing more than 3.3 ounces but not more than 3.5 ounces

Automation letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece

price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

Nonautomation Pieces weighing greater than 3.3 ounces

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece	0.265	0.333	0.387	0.438	0.140	0.208	0.262	0.313

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.782	0.676
DNDC	0.616	0.510
DSCF	0.566	0.460

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.365 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned

are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Letters including a Repositionable Note

Add \$0.000 for each letter bearing a Repositionable Note.

Full-service Intelligent Mail Option: automation letters only

Subtract \$0.001 for each automation letter that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

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1225 Flats

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1225.6 Prices

Automation Flats (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.386	0.472	0.524	0.553	0.237	0.323	0.375	0.404
DNDC	0.352	0.438	0.490	0.519	0.203	0.289	0.341	0.370
DSCF	0.342	0.428	0.480	n/a	0.193	0.279	0.331	n/a
DFSS	0.341	n/a	n/a	n/a	0.192	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

Automation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece-DFSS	0.225	n/a	n/a	n/a	0.098	n/a	n/a	n/a
Per Piece-Other	0.226	0.312	0.364	0.393	0.099	0.185	0.237	0.266

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.782	0.782	0.782	0.782	0.676	0.676	0.676	0.676

DNDC	0.616	0.616	0.616	0.616	0.510	0.510	0.510	0.510
DSCF	0.566	0.566	0.566	n/a	0.460	0.460	0.460	n/a
DFSS	0.566	n/a	n/a	n/a	0.460	n/a	n/a	n/a

Nonautomation Flats (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.429	0.497	0.551	0.602	0.278	0.346	0.400	0.451
DNDC	0.395	0.463	0.517	0.568	0.244	0.312	0.366	0.417
DSCF	0.384	0.452	0.506	n/a	0.234	0.302	0.356	n/a
DFSS	0.383	n/a	n/a	n/a	0.233	n/a	n/a	n/a

Nonautomation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
<u>Per Piece-DFSS</u>	<u>0.264</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>0.139</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
<u>Per Piece-Other</u>	0.265	0.333	0.387	0.438	0.140	0.208	0.262	0.313

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.782	0.782	0.782	0.782	0.676	0.676	0.676	0.676
DNDC	0.616	0.616	0.616	0.616	0.510	0.510	0.510	0.510
DSCF	0.566	0.566	0.566	n/a	0.460	0.460	0.460	n/a
DFSS	0.566	n/a	n/a	n/a	0.460	n/a	n/a	n/a

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.459	0.333

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.095 per piece and returned flats pay the applicable First-Class Mail price. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Flats including a Repositionable Note

Add \$0.000 for each flat bearing a Repositionable Note.

Full-service Intelligent Mail Option: automation flats only

Subtract \$0.001 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

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1230 Parcels

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1230.6 Prices

Marketing Parcels (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.149	1.541	n/a	n/a	1.071	1.463
DNDC	0.680	0.803	1.101	n/a	0.603	0.726	1.024	n/a
DSCF	0.629	0.752	n/a	n/a	0.552	0.675	n/a	n/a
DDU	0.591	n/a	n/a	n/a	0.513	n/a	n/a	n/a

Marketing Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.508	0.631	0.929	1.321	0.447	0.570	0.868	1.260

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.067	1.067	n/a	n/a	0.986	0.986
DNDC	0.836	0.836	0.836	n/a	0.755	0.755	0.755	n/a
DSCF	0.588	0.588	n/a	n/a	0.507	0.507	n/a	n/a
DDU	0.403	n/a	n/a	n/a	0.322	n/a	n/a	n/a

Nonprofit Machinable Parcels Prices (3.5 ounces or more)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.572	0.841	1.216

b. Per Pound

Entry Point	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	0.986	0.986
DNDC	0.755	0.755	n/a
DSCF	0.507	n/a	n/a
DDU	0.322	n/a	n/a

Nonprofit Irregular Parcels (3.3 ounces or less)

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.231	1.554
DNDC	0.728	0.837	1.183	n/a
DSCF	0.677	0.785	n/a	n/a
DDU	0.638	n/a	n/a	n/a

Nonprofit Irregular Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.572	0.680	1.026	1.350

b. Per Pound

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	0.986	0.986
DNDC	0.755	0.755	0.755	n/a
DSCF	0.507	0.507	n/a	n/a
DDU	0.322	n/a	n/a	n/a

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price or Priority Mail price for the piece plus the price multiplied by a factor of 2.472.

Non-barcoded Parcels Surcharge

For non-barcoded parcels, add \$0.0674 per piece. The surcharge does not apply to pieces sorted to 5-Digit ZIP Codes.

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1235 Every Door Direct Mail—Retail

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1235.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	(\$)
DDU	0.175

1300 Periodicals

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1305 In-County Periodicals

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1305.6 Prices

In-County Automation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.157
Non-DDU	0.205

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.052	0.111
3-Digit	0.054	0.119
Basic	0.066	0.127

In-County Nonautomation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.157
Non-DDU	0.205

b. Piece Prices (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.034
Carrier Route High Density	0.049
Carrier Route Basic	0.067
5-Digit	0.117
3-Digit	0.131
Basic	0.143

Worksharing Discount for DDU

Each DDU entered piece receives a discount of \$0.008.

In-County Periodicals including a Repositionable Note

Add \$0.000 for each piece bearing a Repositionable Note.

In-County Periodicals including a Ride-Along piece

Add \$0.17972 for a Ride-Along item enclosed with or attached to an In-County Periodical.

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation or Carrier Route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

1310 Outside County Periodicals

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1310.6 Prices

Charges are computed by adding the appropriate per-piece charge, per-bundle charge, per-sack charge, and per-pallet charge to the sum of the editorial (nonadvertising) pound portion and the advertising pound portion, as applicable.

Pound Prices (per pound or fraction thereof)

Entry Level or Zone	Regular		Science of Agriculture	
	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)
DDU	0.146	0.123	0.110	0.123
DSCF	0.223	0.186	0.167	0.186
<u>DFSS</u>	0.223	0.186	0.167	0.186
DADC	0.239	0.198	0.179	0.198
Zones 1 & 2	0.262	0.220	0.197	0.220
Zone 3	0.287	0.220	0.287	0.220
Zone 4	0.353	0.220	0.353	0.220
Zone 5	0.452	0.220	0.452	0.220
Zone 6	0.555	0.220	0.555	0.220
Zone 7	0.683	0.220	0.683	0.220
Zone 8	0.794	0.220	0.794	0.220
<u>Zone 9</u>	0.794	0.220	0.794	.0.220

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	0.146
High Density	0.172
Basic	0.205

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.221
3-Digit/SCF	0.286
ADC	0.308
Mixed ADC	0.348

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	0.308	0.321	0.321
3-Digit/SCF	0.401	0.425	0.425
ADC	0.418	0.444	0.444
Mixed ADC	0.447	0.481	0.481

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.335	0.336	0.336
3-Digit/SCF	0.456	0.474	0.474
ADC	0.521	0.553	0.553
Mixed ADC	0.625	0.675	0.675

e. Editorial Adjustment

A per-piece editorial adjustment is provided by subtracting \$0.00111~~06~~ for each 1 percent of editorial (nonadvertising) content from the applicable piece price.

f. Firm Bundle Piece Price

Firm bundles are charged a single-piece price of \$0.199~~2~~.

Bundle Prices (per bundle)

Bundle Level	Container Level					
	Carrier Route/ 5-Digit (\$)	<u>FSS Scheme</u>	<u>FSS Facility</u>	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	0.086			0.154	0.167	0.201
Carrier Route	0.165			0.313	0.353	0.438
5-Digit	0.157			0.163	0.223	0.310
<u>FSS Scheme</u>		<u>0.143</u>	<u>0.143</u>	<u>0.143</u>	<u>0.207</u>	<u>0.299</u>
3-Digit/SFC				0.143	0.207	0.299
ADC					0.125	0.225
Mixed ADC						0.086

Container Prices (per pallet, tray, or sack)

a. Pallet Container

Entry Point	5-Digit (\$)	<u>FSS Scheme</u>	<u>FSS Facility</u>	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	1.795					
DSCF	22.881	12.449	12.449	12.449		
<u>DFSS</u>		<u>0.000</u>				
DADC	33.872	23.218	23.218	23.218	13.908	
DNDC	35.781	26.695	26.695	26.695	25.125	
Origin	56.538	43.135	43.135	43.135	36.415	3.825

b. Tray or Sack Container

Entry Point	Carrier Route/ 5-Digit (\$)	<u>FSS Scheme</u>	<u>FSS Facility</u>	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	1.016					
DSCF	1.468	0.903	0.903	0.903		
DADC	1.919	1.355	1.355	1.355	0.903	
DNDC	2.258	1.694	1.694	1.694	1.580	
Origin	3.048	2.371	2.371	2.371	2.260	0.482

Outside County Periodicals including a Repositionable Note

Add \$0.000 for each piece bearing a Repositionable Note.

Outside County Periodicals including a Ride-Along piece

Add \$0.1792 for a Ride-Along item enclosed with or attached to an Outside County Periodical.

Full-service Intelligent Mail Option

Subtract \$0.001 for each barcoded or Carrier Route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Publications eligible for Nonprofit and Classroom price categories

Publications qualified as Nonprofit, Classroom, and Limited Circulation receive a 5 percent discount on all components of postage except advertising pounds.

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1400 Package Services

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1405 Alaska Bypass Service

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1405.6 Prices

Alaska Bypass

Prices are calculated by dividing the total weight of the shipment by 70 (subject to the maximum weight restriction) and multiplying the result (rounded to the nearest one-hundredth) by the appropriate Alaska Bypass price for the zone to which the parcel is addressed.

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)
70	25.58	30.61

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1415 Bound Printed Matter Flats

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1415.6 Prices

Carrier Route

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Flats Sequencing System (FSS)

1. Destination Entry

	DSCF (\$)	DFSS (\$)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zone 5 (\$)
Per Piece	0.557	0.557	1.056	1.056	1.056	1.056
Per Pound	0.042	0.042	0.071	0.087	0.142	0.201

2. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	1.197	1.197	1.197	1.197	1.197	1.197	1.197
Per Pound	0.144	0.159	0.203	0.258	0.329	0.371	0.498

b. Non-FSS

1. Destination Entry¹

	DDU (\$)	DSCF (\$)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zone 5 (\$)
Per Piece	0.406	0.557	1.056	1.056	1.056	1.056

Per Pound	0.023	0.042	0.071	0.087	0.142	0.201
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2. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	1.197	1.197	1.197	1.197	1.197	1.197	1.197
Per Pound	0.144	0.159	0.203	0.258	0.329	0.371	0.498

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Flats Sequencing System (FSS)

1. Destination Entry

	DSCF (\$)	DFSS (\$)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zone 5 (\$)
Per Piece	0.656	0.656	1.155	1.155	1.155	1.155
Per Pound	0.042	0.042	0.071	0.087	0.142	0.201

2. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	1.296	1.296	1.296	1.296	1.296	1.296	1.296
Per Pound	0.144	0.159	0.203	0.258	0.329	0.371	0.498

b. Non-FSS

1. Destination Entry¹

	DDU (\$)	DSCF (\$)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zone 5 (\$)
Per Piece	0.505	0.656	1.155	1.155	1.155	1.155
Per Pound	0.023	0.042	0.071	0.087	0.142	0.201

2. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	1.296	1.296	1.296	1.296	1.296	1.296	1.296
Per Pound	0.144	0.159	0.203	0.258	0.329	0.371	0.498

Notes

- DDU price is not available for presorted flats that weigh 1 pound or less.

Nonpresorted

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
1.0	1.93	1.97	2.03	2.12	2.24	2.30	2.50
1.5	1.93	1.97	2.03	2.12	2.24	2.30	2.50
2.0	2.02	2.08	2.16	2.28	2.44	2.52	2.78
2.5	2.12	2.19	2.29	2.44	2.64	2.74	3.07
3.0	2.21	2.30	2.42	2.60	2.84	2.96	3.35
3.5	2.31	2.41	2.55	2.76	3.04	3.18	3.64
4.0	2.40	2.52	2.68	2.92	3.24	3.40	3.92
4.5	2.50	2.63	2.81	3.08	3.44	3.62	4.21
5.0	2.59	2.74	2.94	3.24	3.64	3.84	4.49
6.0	2.78	2.96	3.20	3.56	4.04	4.28	5.06
7.0	2.97	3.18	3.46	3.88	4.44	4.72	5.63
8.0	3.16	3.40	3.72	4.20	4.84	5.16	6.20
9.0	3.35	3.62	3.98	4.52	5.24	5.60	6.77
10.0	3.54	3.84	4.24	4.84	5.64	6.04	7.34
11.0	3.73	4.06	4.50	5.16	6.04	6.48	7.91
12.0	3.92	4.28	4.76	5.48	6.44	6.92	8.48
13.0	4.11	4.50	5.02	5.80	6.84	7.36	9.05
14.0	4.30	4.72	5.28	6.12	7.24	7.80	9.62
15.0	4.49	4.94	5.54	6.44	7.64	8.24	10.19

Full-service Intelligent Mail Option

Subtract \$0.001 for each presorted or Carrier Route barcoded flat that complies with the requirements for the Full-service Intelligent Mail option.

1420 Bound Printed Matter Parcels

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1420.6 Prices

Carrier Route

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.674	0.823	1.324	1.324	1.324	1.324
Per Pound	0.030	0.069	0.084	0.116	0.168	0.232

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zones 8 & 9
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.465	1.465	1.465	1.465	1.465	1.465	1.465
Per Pound	0.179	0.214	0.259	0.328	0.404	0.466	0.613

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.773	0.922	1.423	1.423	1.423	1.423
Per Pound	0.030	0.069	0.084	0.116	0.168	0.232

b. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	1.564	1.564	1.564	1.564	1.564	1.564	1.564
Per Pound	0.179	0.214	0.259	0.328	0.404	0.466	0.613

Nonpresorted

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
1.0	2.59	2.65	2.71	2.82	2.94	3.00	3.22
1.5	2.59	2.65	2.71	2.82	2.94	3.00	3.22
2.0	2.71	2.79	2.87	3.01	3.17	3.25	3.55
2.5	2.83	2.93	3.03	3.21	3.41	3.51	3.88
3.0	2.95	3.07	3.19	3.40	3.64	3.76	4.21
3.5	3.07	3.21	3.35	3.60	3.88	4.02	4.54
4.0	3.19	3.35	3.51	3.79	4.11	4.27	4.87
4.5	3.31	3.49	3.67	3.99	4.35	4.53	5.20
5.0	3.43	3.63	3.83	4.18	4.58	4.78	5.53
6.0	3.67	3.91	4.15	4.57	5.05	5.29	6.19
7.0	3.91	4.19	4.47	4.96	5.52	5.80	6.85
8.0	4.15	4.47	4.79	5.35	5.99	6.31	7.51
9.0	4.39	4.75	5.11	5.74	6.46	6.82	8.17
10.0	4.63	5.03	5.43	6.13	6.93	7.33	8.83
11.0	4.87	5.31	5.75	6.52	7.40	7.84	9.49
12.0	5.11	5.59	6.07	6.91	7.87	8.35	10.15
13.0	5.35	5.87	6.39	7.30	8.34	8.86	10.81
14.0	5.59	6.15	6.71	7.69	8.81	9.37	11.47
15.0	5.83	6.43	7.03	8.08	9.28	9.88	12.13

1425 Media Mail/Library Mail

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1425.6 Prices

Media Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.81	2.20	2.69
2	2.29	2.68	3.17
3	2.77	3.16	3.65
4	3.25	3.64	4.13
5	3.73	4.12	4.61
6	4.21	4.60	5.09
7	4.69	5.08	5.57
8	5.15	5.54	6.03
9	5.61	6.00	6.49
10	6.07	6.46	6.95
11	6.53	6.92	7.41
12	6.99	7.38	7.87
13	7.45	7.84	8.33
14	7.91	8.30	8.79
15	8.37	8.76	9.25
16	8.83	9.22	9.71
17	9.29	9.68	10.17
18	9.75	10.14	10.63
19	10.21	10.60	11.09
20	10.67	11.06	11.55
21	11.13	11.52	12.01
22	11.59	11.98	12.47
23	12.05	12.44	12.93
24	12.51	12.90	13.39
25	12.97	13.36	13.85

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	13.43	13.82	14.31
27	13.89	14.28	14.77
28	14.35	14.74	15.23
29	14.81	15.20	15.69
30	15.27	15.66	16.15
31	15.73	16.12	16.61
32	16.19	16.58	17.07
33	16.65	17.04	17.53
34	17.11	17.50	17.99
35	17.57	17.96	18.45
36	18.03	18.42	18.91
37	18.49	18.88	19.37
38	18.95	19.34	19.83
39	19.41	19.80	20.29
40	19.87	20.26	20.75
41	20.33	20.72	21.21
42	20.79	21.18	21.67
43	21.25	21.64	22.13
44	21.71	22.10	22.59
45	22.17	22.56	23.05
46	22.63	23.02	23.51
47	23.09	23.48	23.97
48	23.55	23.94	24.43
49	24.01	24.40	24.89
50	24.47	24.86	25.35

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	24.93	25.32	25.81
52	25.39	25.78	26.27
53	25.85	26.24	26.73
54	26.31	26.70	27.19
55	26.77	27.16	27.65
56	27.23	27.62	28.11
57	27.69	28.08	28.57
58	28.15	28.54	29.03
59	28.61	29.00	29.49
60	29.07	29.46	29.95
61	29.53	29.92	30.41
62	29.99	30.38	30.87
63	30.45	30.84	31.33
64	30.91	31.30	31.79
65	31.37	31.76	32.25
66	31.83	32.22	32.71
67	32.29	32.68	33.17
68	32.75	33.14	33.63
69	33.21	33.60	34.09
70	33.67	34.06	34.55

Library Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.72	2.09	2.56
2	2.18	2.55	3.02
3	2.64	3.01	3.48
4	3.10	3.47	3.94
5	3.56	3.93	4.40
6	4.02	4.39	4.86
7	4.48	4.85	5.32
8	4.92	5.29	5.76
9	5.36	5.73	6.20
10	5.80	6.17	6.64
11	6.24	6.61	7.08
12	6.68	7.05	7.52
13	7.12	7.49	7.96
14	7.56	7.93	8.40
15	8.00	8.37	8.84
16	8.44	8.81	9.28
17	8.88	9.25	9.72
18	9.32	9.69	10.16
19	9.76	10.13	10.60
20	10.20	10.57	11.04
21	10.64	11.01	11.48
22	11.08	11.45	11.92
23	11.52	11.89	12.36
24	11.96	12.33	12.80
25	12.40	12.77	13.24

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	12.84	13.21	13.68
27	13.28	13.65	14.12
28	13.72	14.09	14.56
29	14.16	14.53	15.00
30	14.60	14.97	15.44
31	15.04	15.41	15.88
32	15.48	15.85	16.32
33	15.92	16.29	16.76
34	16.36	16.73	17.20
35	16.80	17.17	17.64
36	17.24	17.61	18.08
37	17.68	18.05	18.52
38	18.12	18.49	18.96
39	18.56	18.93	19.40
40	19.00	19.37	19.84
41	19.44	19.81	20.28
42	19.88	20.25	20.72
43	20.32	20.69	21.16
44	20.76	21.13	21.60
45	21.20	21.57	22.04
46	21.64	22.01	22.48
47	22.08	22.45	22.92
48	22.52	22.89	23.36
49	22.96	23.33	23.80
50	23.40	23.77	24.24

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	23.84	24.21	24.68
52	24.28	24.65	25.12
53	24.72	25.09	25.56
54	25.16	25.53	26.00
55	25.60	25.97	26.44
56	26.04	26.41	26.88
57	26.48	26.85	27.32
58	26.92	27.29	27.76
59	27.36	27.73	28.20
60	27.80	28.17	28.64
61	28.24	28.61	29.08
62	28.68	29.05	29.52
63	29.12	29.49	29.96
64	29.56	29.93	30.40
65	30.00	30.37	30.84
66	30.44	30.81	31.28
67	30.88	31.25	31.72
68	31.32	31.69	32.16
69	31.76	32.13	32.60
70	32.20	32.57	33.04

1500 Special Services

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1505 Ancillary Services

1505.1 Address Correction Service

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1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail piece, on-piece correction only	0.00
Other	0.57
Electronic correction, each	
First-Class Mail piece	0.11
Other	0.31
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	0.04
Additional notices, for a given address change, each	0.11
Standard Mail piece	
First two notices, for a given address change, each	0.07
Additional notices, for a given address change, each	0.25
Full-service correction, each	0.00

1505.2 Applications and Mailing Permits

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1505.2.2 Prices

	(\$)
First-Class Mail/First-Class Package Service Presort Mailing Fee (per year)	220.00
Standard Mail/Parcel Select Lightweight Mailing Fee (per year)	220.00
Periodicals Application Fees (one-time only for each)	
A. Original Entry	700.00
B. Re-entry	80.00
C. Registration for News Agents	75.00
Bound Printed Matter: Destination Entry Mailing Fee (per year)	220.00
Media Mail Presorted Mailing Fee (per year)	220.00
Library Mail Presorted Mailing Fee (per year)	220.00
Parcel Select: Destination Entry Mailing Fee (per year)	220.00
Parcel Return Service Account Maintenance Fee (per year)	685.00
Parcel Return Service Mailing Fee (per year)	220.00
Application to Use Permit Imprint (one-time only)	220.00

1505.3 Business Reply Mail

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1505.3.2 Prices

	(\$)
Regular (no account maintenance fee)	
Permit (per year)	220.00
Per-piece charge	0.83
Regular (with account maintenance fee)	
Permit (per year)	220.00
Account maintenance (per year)	685.00
Per-piece charge	0.097
Qualified Business Reply Mail, low-volume	
Permit (per year)	220.00
Account maintenance (per year)	685.00
Per-piece charge	0.064
Qualified Business Reply Mail, high-volume	
Permit (per year)	220.00
Account maintenance (per year)	685.00
Quarterly	2,270.00
Per-piece charge	0.010
Bulk Weight Averaged (Non-letters only)	
Permit (per year)	220.00
Account maintenance (per year)	685.00
Per-piece charge	0.018
Monthly maintenance	1,135.00

1505.4 Bulk Parcel Return Service

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1505.4.2 Prices

	(\$)
Permit (per year)	220.00
Account maintenance (per year)	685.00
Per-piece charge	2.95

1505.5 Certified Mail

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1505.5.2 Prices

	(\$)
Per piece	3.30

1505.6 Certificate of Mailing

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1505.6.2 Prices

Individual Piece Prices

	(\$)
Original Certificate of Mailing, individual article	1.30
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.47
Each additional copy of original Certificate of Mailing or original mailing receipt for Registered Mail insured, Certified Mail, and COD mail (each copy)	1.30

Bulk Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	7.80
Each additional 1,000 identical-weight pieces or fraction thereof	0.95
Each additional copy of the original Certificate of Mailing	1.30

1505.7 Collect on Delivery

1505.7.1 Description

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- c. If delivery is attempted, but not successful, a notice will be provided to the addressee. ~~The mailer may receive a notice of nondelivery if the article is properly endorsed and the appropriate fee is paid.~~

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- e. The mailer may designate a new addressee ~~or alter the COD charges by using Package Intercept service (2645.2) submitting the appropriate form and by paying the appropriate fee.~~

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1505.7.2 Prices

(\$)		(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:			
0.01	to	50.00	6.95
50.01	to	100.00	8.60
100.01	to	200.00	10.30
200.01	to	300.00	12.00
300.01	to	400.00	13.70
400.01	to	500.00	15.40
500.01	to	600.00	17.10
600.01	to	700.00	18.80
700.01	to	800.00	20.50
800.01	to	900.00	22.20
900.01	to	1,000.00	23.90
Notice of nondelivery			4.15
Alteration of COD charges			4.15
Designation of new addressee			4.15
Registered COD			5.75

1505.8 USPS Tracking

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1505.8.2 Prices

	(\$)
First-Class Mail Parcels	
Electronic>Returns with integrated retail system label	0.00
Retail	1.05
First-Class Package Service	
Electronic	0.00
Standard Mail Parcels	
Electronic	0.23
Package Services	
Returns with integrated retail system label	0.00
Electronic	0.23
Retail	1.05
Priority Mail	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00
Parcel Select	
Electronic	0.00
Parcel Select	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00
Standard Post	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00

1505.9 Insurance

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1505.9.2 Prices

General Insurance^{1, 2}

			(\$)	(\$)	(\$)
Merchandise coverage:					
	0.01	to	50.00		2.10
	50.01	to	100.00		2.60
	100.01	to	200.00		3.30
	200.01	to	300.00		5.50
	300.01	to	400.00		6.75
	400.01	to	500.00		8.00
	500.01	to	600.00		9.25
	600.01	to	5,000.00		9.25 plus 1.25 for each 100.00 or fraction thereof over 600.00

Notes

- Up to \$50.00 of General Insurance coverage is included at no additional cost in the price of Priority Mail pieces that bear an Intelligent Mail package barcode or retail tracking barcode. This does not apply to Priority Mail pieces sent using Merchandise Return Service, Priority Mail Open and Distribute, or Premium Forwarding Service.
- Up to \$100.00 of General Insurance coverage is included at no additional cost in the price of Priority Mail pieces that bear an Intelligent Mail package barcode and for which the mailer pays Commercial Plus prices. This does not apply to Priority Mail pieces sent using Merchandise Return Service, Priority Mail Open and Distribute, or Premium Forwarding Service.

Bulk Insurance

(\$)			(\$)
Amount of coverage:			
0.01	to	50.00	1.30
50.01	to	100.00	1.80
100.01	to	200.00	2.50
200.01	to	300.00	4.70
300.01	to	5,000.00	4.70 plus 1.25 for each 100.00 or fraction thereof over 300.00

Priority Mail Express Insurance

(\$)			(\$)
Merchandise coverage:			
0.01	to	100.00	0.00
100.01	to	200.00	1.00
200.01	to	500.00	2.60
500.01	to	5,000.00	2.60 plus 1.65 for each 500.00 or fraction thereof over 500.00
Document reconstruction coverage:			
0.01	to	100.00	0.00

1505.10 Merchandise Return Service

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1505.10.2 Prices

	(\$)
Permit (per year)	220.00
Account maintenance (per year)	685.00
Per piece	0.00

1505.11 Parcel Airlift (PAL)

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1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	0.70
Over 2 but not more than 3 pounds	1.35
Over 3 but not more than 4 pounds	1.90
Over 4 but not more than 30 pounds	2.50

1505.12 Registered Mail

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1505.12.2 Prices

(\$)		(\$)	(\$)
Declared Value:			
0.00			11.95
0.01	to	100.00	12.75
100.01	to	500.00	14.75
500.01	to	1,000.00	16.30
1,000.01	to	2,000.00	17.85
2,000.01	to	3,000.00	19.40
3,000.01	to	4,000.00	20.95
4,000.01	to	5,000.00	22.50
5,000.01	to	15,000,000.00	22.50 plus 1.55 per additional 1,000.00 of value
Greater than		15,000,000.00	23,264.75 plus amount determined by the Postal Service based on weight, space, and value

1505.13 Return Receipt

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1505.13.2 Prices

	(\$)
Original signature	2.70
Copy of signature (electronic)	1.35
Requested after mailing	5.25

1505.14 Return Receipt for Merchandise

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1505.14.2 Prices

	(\$)
Per Piece (Requested at time of mailing)	4.40

1505.15 Restricted Delivery

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1505.15.2 Prices

	(\$)
Per Piece	5.05

1505.16 Shipper-Paid Forwarding

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1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	685.00

1505.17 Signature Confirmation

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1505.17.2 Prices

	(\$)
Electronic	2.35
Retail	2.90

1505.18 Special Handling

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1505.18.2 Prices

Weight	(\$)
Not more than 10 pounds	9.90
More than 10 pounds	13.00

1505.19 Stamped Envelopes

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1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	0.13
Basic, size 6-3/4, 500	17.90
Basic, over size 6-3/4, each	0.13
Basic, over size 6-3/4, 500	20.40
Personalized stamped envelopes	
Basic, size 6-3/4, 50	5.90
Basic, size 6-3/4, 500	27.65
Basic, over size 6-3/4, 50	5.90
Basic, over size 6-3/4, 500	31.30
Additional Charges for premium options, per 50 envelopes	
Pressure-sensitive sealing	5.50
Font size, font style, and/or ink color (for one, two, or all three)	1.10
Window	1.10
Additional Charges for premium options, per 500 envelopes	
Pressure-sensitive sealing	16.45
Font size, font style, and/or ink color (for one, two, or all three)	2.35
Window	2.35

	(\$)
Shipping—Boxes of 50	
1 box	5.50
2 boxes	6.75
3 boxes	8.00
4 boxes	9.10
5 boxes	11.15
6 boxes	12.00
7 boxes	13.25
8 boxes	14.35
9 or more boxes	16.15
Shipping—Boxes of 500	
1 box	9.90
2 or more boxes	16.15

1505.20 Stamped Cards

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1505.20.2 Prices

	(\$)
Single card	0.04
Double reply-paid card	0.08
Sheet of 40 cards (uncut)	1.60
Pack of 10 sheets of 4 cards each	1.75
Premium Options (Additional Charge)	(\$)
Per order of 250 cards	
Printing of return address	20.85
Font size, font style, and/or ink color (for one, two, or all three)	1.05
Monogram	1.05
4-Color logo – first 250 cards	83.45
4-Color logo – additional 250 cards	5.20
Per Order of 1,000 cards	
Printing of return address	52.15
Font size, font style, and/or ink color (for one, two, or all three)	2.10
Monogram	2.10
4-Color logo – first 1,000 cards	88.65
4-Color logo – additional 1,000 cards	10.45

1505.21 Premium Stamped Stationery

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1505.21.2 Prices

Per Unit	(\$)
Minimum	2 times the First-Class Mail price imprinted on the stationery
Maximum	3 times the First-Class Mail price imprinted on the stationery

1505.22 Premium Stamped Cards

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1505.22.2 Prices

Per Card	(\$)
Minimum	1 times the First-Class Mail price imprinted on the card
Maximum	3 times the First-Class Mail price imprinted on the card

1510 International Ancillary Services

1510.1 International Certificate of Mailing

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1510.1.2 Prices

Individual Piece Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Single-Piece First-Class Mail International items	1.30
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.47
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	1.30

Multiple Piece Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	7.80
Each additional 1,000 identical-weight pieces or fraction thereof	0.95
Duplicate copy	1.30

1510.2 International Registered Mail

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1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	13.65

Inbound International Registered Mail Prices

Payment is made in accordance with Part III of the Universal Postal Union Convention. This information is available in the Letter Post Manual at www.upu.int.

1510.3 International Return Receipt

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1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	3.75

Inbound International Return Receipt Prices

No additional payment.

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1510.6 Customs Clearance and Delivery Fee

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1510.6.2 Prices

	(\$)
Per Dutiable Item	6.00

1515 Address Management Services

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1515.2 Prices

	(\$)
Address Sequencing	
Per correction (removal of each undeliverable address, or addition of each missing or new address)	0.42
Insertion of blanks	0.00
AEC II Service	
1-100 records resolved, minimum fee	32.00
Additional records resolved, per record	0.32
AIS (Address Information System) Viewer (per year, per operating system)	
City State Delivery Type Retrieval Annual Subscription	68.00*
County Name Retrieval Annual Subscription	68.00*
Delivery Statistic Retrieval Annual Subscription	96.00*
ZIP + 4 Retrieval Annual Subscription	68.00*
CRIS Route (per year)	
Per state (annual subscription)	37.00*
All States (annual subscription)	990.00*
CASS Certification	
Cycle Testing: (for next cycle) August-January	210.00
Cycle Testing: February, March	520.00
Cycle Testing: April	625.00
Cycle Testing: May	730.00
Cycle Testing: June	835.00
Cycle Testing: July	940.00
Cycle Testing: (for current cycle) After July 31 st	1,045.00

	(\$)
Change-of-Address Information for Election Boards and Registration Commissions	
Per change of address	0.42
Change-of-Address Customer Notification Letter Reprint	52.00
City State (per year)	
All States (annual subscription)	410.00*
CDS (per address, per year)	0.009
Minimum (per year)	45.00
Correction of Address Lists	
Per submitted address	0.42
Minimum charge per list (30 items)	12.60
Delivery Statistics (per year)	
All States (annual subscription)	410.00*
DMM Labeling Lists	66.00
DPV System (per year) ³	11,750.00
DSF ² Service (per year) ⁴	117,000.00
Each additional location per year	58,400.00
Each additional platform per location per year	58,400.00
eLOT Service (per year)	
Per state (annual subscription)	37.00*
All States (annual subscription)	990.00*

	(\$)
Five-Digit ZIP (per year)	
All States (annual subscription)	590.00*
LACS ^{Link5}	
Interface Developer (first year)	1,175.00 ⁶
Interface Developer (each one-year extension)	365.00 ⁶
Interface Distributor (per year)	1,380.00 ⁷
Data Distributor (per year)	365.00
End User (per year)	365.00 ⁸
MASS Certification	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	520.00 ⁹
Cycle Testing: July	1,045.00 ⁹
Cycle Testing: (for current cycle) After July 31 st	1,565.00 ¹⁰
MASS End-Users (MLOCR)	
Cycle Testing: (for next cycle) March – June	520.00 ⁹
Cycle Testing: July	1,045.00 ⁹
Cycle Testing: (current cycle) After July 31 st	1,565.00 ¹⁰
MASS Manufacturers (Encoder)	
Cycle Testing: (for next cycle) November – June	315.00 ⁹
Cycle Testing: July	780.00 ⁹
Cycle Testing: (for current cycle) After July 31 st	1,045.00 ¹⁰
MASS End-Users (Encoder)	
Cycle Testing: (for next cycle) March – June	315.00 ⁹
Cycle Testing: July	780.00 ⁹
Cycle Testing: After July 31 st	1,045.00 ¹⁰
MASS IMb Quality Testing	315.00

	(\$)
NCOA ^{Link} Service ¹¹	
Initial Interface Developer (first year fee)	6050.00
Interface Developer (per each one year extension)	1,175.00
Interface Distributor (per year)	29,750.00
Full Service Provider (per year)	203,000.00
Full Service Provider Each Additional Site (per year)	101,000.00
Limited Service Provider (per year)	17,700.00
Limited Service Provider (per each one year extension)	
One Site only	17,700.00
Each additional site	8,865.00
ANKLink Service Option (per year)	
First Site	4,175.00
Each Additional Site	1,875.00
End User/MPE (first year)	8,865.00
End User/MPE (each renewal year)	
One site (each site for MPE)	8,865.00
Each additional site (End User only)	4,175.00
ANK ^{Link} Service Option (per year)	915.00
NCOA ^{Link} Test, Audit (each)	1,175.00
Official National Zone Charts (per year)	
Matrix	63.00
Postal Explorer (CD-ROM)	21.00
RDI Service (per year) ¹	365.00
Z4 Change (per year)	
All States	3,545.00*
ZIP + 4 Service (per year)	
Per state (annual subscription)	37.00*
All States (annual subscription)	990.00

	(\$)
ZIP Code Sortation of Address Lists Per 1,000 addresses, or fraction	140.00
ZIP Move (per year) All States (annual subscription)	120.00*
99 Percent Accurate Method (per 1,000 addresses per year) Minimum (per year)	1.20 120.00

1520 Caller Service

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1520.2 Prices

	(\$)
Groups based on Post Office location (Semi-Annual):	
Group 1	791.00
Group 2	748.00
Group 3	620.00
Group 4	609.00
Group 5	599.00
Group 6	556.00
Group 7	508.00
Call Number Reservation (Annual)	48.00

1525 Credit Card Authentication

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1525.2 Prices

	(\$)
Per credit card authentication	1.05

1535 International Reply Coupon Service

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1535.2 Prices

Inbound International Reply Coupon Service Prices

Payment is made in accordance with Part III of the Universal Postal Union Convention and associated UPU Letter Post Regulations. This information is available in the Letter Post Manual at www.upu.int.

1540 International Business Reply Mail Service

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1540.3 Prices

Outbound International Business Reply Mail Service Prices

	(\$)
Card	1.35
Envelope	1.85

Inbound International Business Reply Mail Service Prices

Payment is made in accordance with Universal Postal Union Convention Article 13. This information is available in the Letter Post Manual at www.upu.int.

1545 Money Orders

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1545.2 Prices

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	1.25
Domestic	500.01	to	1,000.00	1.65
APO/FPO/DPO	0.01	to	1,000.00	0.35
Inquiry, including a copy of paid money order				6.10

1550 Post Office Box Service

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1550.4 Prices

Regular and No Fee

Box Size	Semi-annual Fees (Groups based on Post Office location) (\$)							
	1	2	3	4	5	6	7	E ¹
1	53.00	42.00	34.00	29.00	24.00	17.00	15.00	0.00
2	79.00	67.00	53.00	42.00	30.00	25.00	21.00	0.00
3	139.00	113.00	96.00	70.00	56.00	43.00	34.00	0.00
4	287.00	219.00	177.00	136.00	102.00	73.00	55.00	0.00
5	455.00	390.00	299.00	241.00	171.00	128.00	101.00	0.00

Box Size	3-Month Fees (Groups based on Post Office location) (\$)						
	1	2	3	4	5	6	7
1	30.00	24.00	20.00	17.00	14.00	9.00	8.00
2	46.00	39.00	30.00	24.00	18.00	15.00	13.00
3	79.00	65.00	55.00	41.00	32.00	25.00	20.00
4	165.00	126.00	102.00	78.00	58.00	42.00	31.00
5	262.00	224.00	172.00	139.00	98.00	74.00	58.00

Notes

1. When the Postal Service determines not to provide carrier delivery to a customer's physical address or business location that constitutes a potential carrier delivery point, as defined by the Postal Service, that customer becomes eligible for one Post Office Box at the Group E fee.

Postal Facilities Primarily Serving Academic Institutions or Their Students

Period of box use (days)	Price
95 or less	½ semiannual price
96 to 140	¾ semiannual price
141 to 190	Semiannual price
191 to 230	1 ¼ semiannual price
231 to 270	1 ½ semiannual price
271 to full year	Two times semiannual price

Ancillary Post Office Box Services

	(\$)
Key duplication or replacement	6.00
Lock replacement ¹	21.00
Key deposit	3.00

Notes

1. The lock replacement fee may also be charged as a late payment fee, regardless of whether the lock is changed.

1555 Customized Postage

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1555.2 Prices

	(\$)
Annual Participation Fee (up to two printing facilities)	339,000.00
Additional Printing Sites (3-50 sites, each site)	56,300.00
Over 50 Printing Sites (each site)	5,630.00

1560 Stamp Fulfillment Services

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1560.2 Prices

Orders mailed to domestic United States destinations	(\$)
Orders up to \$50.00	1.30 ¹ ; add 2.10 ² for custom orders
Orders over \$50.00	1.85 ¹ ; add 2.10 ² for custom orders
Orders mailed to destinations outside of domestic United States	(\$)
Orders up to \$50.00	6.50 ¹ ; add 2.10 ² for custom orders
Orders over \$50.00	7.05 ¹ ; add 2.10 ² for custom orders

Notes

1. Fee does not apply if the comparable fee from the Philatelic Sales pricing section is being charged for the shipment of a combined order of stamps and philatelic items. Fee also does not apply for orders consisting solely of stamped cards with a printed return address, or stamps sent as part of a subscription, in which the customer agrees to purchase a series of items of a specified type, and establishes a means of payment in advance. If a customer requests expedited shipping, then the order will be shipped using Priority Mail Express, with actual postage charged instead of the listed fees.
2. A custom order is a stamp order in configurations other than those listed for each item in the USA Philatelic catalog.

Attachment B

List of Supporting Materials

The Postal Service is filing three statements as part of its Request:

- (1) Further Statement of Thomas E. Thress on Behalf of the United States Postal Service;
- (2) Statement of Stephen J. Nickerson on Behalf of the United States Postal Service; and
- (3) Statement of Altaf Taufique on Behalf of the United States Postal Service

In addition, the Postal Service is filing ten public and three nonpublic library references, as listed below. With respect to the nonpublic library references, the Postal Service incorporates by reference the Application of the United States Postal Service for Nonpublic Treatment of Materials, which appeared at Attachment D to the Exigent Request of the United States Postal Service filed on July 6, 2010, in this docket.

Public Library References

USPS-R2010-4R/2	First-Class Mail Worksheets
USPS-R2010-4R/3	Standard Mail Worksheets
USPS-R2010-4R/4	Periodicals Worksheets
USPS-R2010-4R/5	Package Services Worksheets
USPS-R2010-4R/6	Special Services Worksheets
USPS-R2010-4R/7	Product Cost & Contribution Estimation Model (Public Version)
USPS-R2010-4R/8	Cost Factor Development (Public Version)
USPS-R2010-4R/9	Revenue and Volume Forecast Materials (Public Version)
USPS-R2010-4R/10	Decomposition of Mail Volume Into Sources of Change
USPS-R2010-4R/11	Calculation of Contribution Lost from Recession-Related Volume Losses

Non-Public Library References

USPS-R2010-4R/NP1	Product Cost & Contribution Estimation Model (Non-Public Version)
USPS-R2010-4R/NP2	Cost Factor Development (Non-Public Version)
USPS-R2010-4R/NP3	Revenue and Volume Forecast Materials (Non-Public Version)